PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 522 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2012

COMPRISING PERIOD
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24 January 2011

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

FIFTY-NINTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 522**

THIRTEENTH VOLUME OF SESSION 2010-2012

House of Commons

Monday 24 January 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Alcohol (Licensing)

1. **Fiona Bruce** (Congleton) (Con): What steps she plans to take to amend the licensing regime affecting the sale of alcohol. [35089]

2. **Gordon Henderson** (Sittingbourne and Sheppey) (Con): What steps she plans to take to amend the licensing regime affecting the sale of alcohol. [35090]

The Secretary of State for the Home Department (Mrs Theresa May): The Government are taking forward proposals in the Police Reform and Social Responsibility Bill to reform the alcohol licensing regime. These include charging a fee for late-night licences, making it easier for communities to have their say on local licensing matters, doubling the fine to £20,000 for those found persistently selling alcohol to children and overhauling the temporary event notices so that existing loopholes can no longer be exploited.

Fiona Bruce: The Cheshire ArcAngel team does excellent work to combat under-age drinking and sales to under-age drinkers, including working with responsible retailers. Licensing officers inform me, however, that current procedures make enforcement action unwieldy and protracted, even when a sale to an under-age individual has clearly occurred. Will the Minister look into enforcement difficulties, such as problems identifying which salesperson to prosecute, the tactic of a swift change of a named licence holder making closure notices hard to apply and the omission of a power to require mandatory staff retraining?

Mrs May: I thank my hon. Friend for that question and join her in commending the work of ArcAngel in Cheshire. The work that it does is similar to that of other groups throughout the country. Certainly it is important for us not only to change the legislation to ensure that the things I set out in my original answer occur, but to ensure that enforcement takes place properly. I am sure we will be happy to look at the particular issues that she raises in relation to the difficulty of enforcement.

Gordon Henderson: A few weeks back, I spent a Friday night out on the streets of Sheerness with my local police licensing officer, backed up by a team of community policemen, checking out licensed premises in an effort to combat alcohol-related antisocial behaviour. I was deeply impressed by the licensing officer's professionalism and the dedicated way he went about his business. Does my right hon. Friend agree that, as police forces look to reduce the number of back-office staff, one area that should not be cut is licence enforcement?

Mrs May: I thank my hon. Friend for his question and commend him for going out with the licensing officer to see what is done in practice. Of course, licence enforcement is an important part of policing. It is not for us to tell chief constables how to allocate their resources, but they will look to ensure that they have the right mix of police officers and police staff to ensure that the licensing law is abided by and enforced.

Keith Vaz (Leicester East) (Lab): As the Home Secretary knows, 50% of crimes are alcohol-related, according to the British crime survey. May I welcome the Government's proposals for a minimum price for alcohol? They are of course in keeping with the recommendations that the Home Affairs Committee made last year, but will she look at the level of pricing? She is putting it at 21p per unit, whereas health campaigners say that it should be 50p per unit. Let us make this a genuine exercise, not just a box-ticking exercise.

Mrs May: I am grateful to the right hon. Gentleman for his question, and I also commend the Home Affairs Committee for its work in this and a number of other areas. He refers to a minimum price for alcohol, but we are banning below-cost sales of alcohol, and we have set that cost at VAT plus duty. That is slightly different from a minimum per unit price for alcohol, but it is important to recognise that, in relation to cracking down on problem drinking, we have taken not only that step but a number of other measures of the sort that I set out in my earlier response.

Diana Johnson (Kingston upon Hull North) (Lab): In reviewing the Licensing Act 2003, is the Secretary of State satisfied that police forces and local authorities throughout the country are using their existing powers as much as they should? Does the late night levy proposal, aimed at reflecting the cost of policing the late-night economy, risk being an additional tax burden on local businesses while the policing that they receive in return still falls as a result of the 20% cuts in police budgets?

Mrs May: I refer the hon. Lady to the actions of the Labour Government in introducing alcohol disorder zones. Yes, we are reviewing the Licensing Act 2003 that they brought in, because far from introducing the café-style culture that Tony Blair said it would bring, it did the exact opposite. Sadly, we have yet again seen increases in incidents relating to alcohol, and in admissions to hospital owing to alcohol-related injuries. That is why the coalition Government are taking the steps that are necessary to deal with problem drinking and giving local areas the ability to deal with their licensing problems.

Tom Brake (Carshalton and Wallington) (LD): I welcome the Government's commitment to tackling the debilitating impact of alcohol abuse. By how many do the Government expect the recently announced measures to reduce the number of alcohol-related deaths? If they are unsuccessful in that, will the Government consider banning alcohol sales below a cost that includes production and transport costs?

Mrs May: I thank my hon. Friend for his question. We expect that there will be 7,000 fewer alcohol-related incidents and 1,000 fewer hospital admissions as a result of the ban on below-cost alcohol sales.

Immigration (Scotland)

3. **Jim McGovern** (Dundee West) (Lab): What assessment she has made of the effects on Scotland of the limit on immigration. [35091]

The Minister for Immigration (Damian Green): A full impact assessment covering the whole of the UK will be published when we lay new immigration rules in March to implement the changes that will introduce the new limits from April. As the hon. Gentleman knows, immigration is not a devolved matter.

Jim McGovern: I thank the Minister for his response. In my constituency, there are two universities and a number of successful science and technology companies. I have been presented with cases at my constituency surgery in which promising employees and students have been rejected simply because the immigration limits have been reached. Those people are highly qualified and would be of significant benefit to the Dundee and UK economies. How can we simply turn them away?

Damian Green: As the hon. Gentleman knows, the purpose of the limit is to meet the need to control Britain's immigration system in a way that enables businesses to bring in the skilled workers that they need. I remind him and employers in Scotland that the unemployment rate in Scotland is above the UK average, at 8.4% compared with 7.8% for the UK. We should have regard to the needs of Scottish workers when companies look to recruit.

Tony Baldry (Banbury) (Con): When one of my great-grandfathers left the Gordon Highlanders as a pipe major, he could not find work in Scotland. Like many Scots, he came south to England. If there are job vacancies in Scotland, should people not be thinking of moving the other way? Is it not a bit strange for the Opposition to be on the one hand bemoaning unemployment levels, and on the other hand campaigning for higher immigration levels?

Damian Green: My hon. Friend makes exactly the right point. It was the previous Prime Minister who made the unfortunate point about British jobs for British workers at a time when British workers were not taking the majority of the jobs available in this country. This Government are determined to balance the economy better in many ways, in particular by ensuring that as many of the available jobs as possible are available to workers in Britain and, indeed, Scotland.

Pete Wishart (Perth and North Perthshire) (SNP): I think that everybody in Scotland is getting tired of the complacent response on these issues. The Minister has managed to unite all businesses, all universities, the health sector and all employers in Scotland in opposition to the immigration cap, because of the damage it will do to the Scottish economy. When will he acknowledge that Scotland's population issues are entirely different from England's? Will he accept that one cap does not fit all when it comes to immigration?

Damian Green: There are indeed differences in Scotland, and one is that unemployment in Scotland is higher than in England, and higher than the average for the rest of the UK. I dare say that those who are complaining about this matter do not include workers in Scotland, and do not include the unemployed in Scotland.

Youth Services (CSR)

4. **Julie Elliott** (Sunderland Central) (Lab): What funding her Department plans to provide for youth services during the comprehensive spending review period. [35092]

The Parliamentary Under-Secretary of State for the Home Department (Lynne Featherstone): As the Home Secretary told the House during oral questions in December, the Home Office does not provide youth services. However, it does contribute towards local youth crime prevention work, including youth offending teams and family intervention work. We will continue to fund activities that divert young people from crime and will set out our plans for future funding in due course.

Julie Elliott: Northumbria police are proposing massive cuts in support staff, which will take front-line officers off the streets, including those who work on youth crime prevention, to do back-room jobs that are currently being done by support staff. Will the Minister explain how that will not result in the level of crime going up in Sunderland and Northumbria?

Lynne Featherstone: Our challenge is to use the resources that we have in the most effective way possible by freeing up officer time to deal with crime. Front-line services will always matter most to the public. It is up to the local force in Northumberland how to deploy its forces, but other forces are increasing their front-line staff, so perhaps Northumberland should follow suit.

Simon Hughes (Bermondsey and Old Southwark) (LD): I accept what my hon. Friend the Minister says about her Department not having direct responsibility for the matter, but can she assure me that it and the police will contribute to the review of youth provision led by the Department for Education? There is a lot of learning and expertise in community engagement to be gained by the Home Office and the police.

Lynne Featherstone: I absolutely agree with my right hon. Friend. There is a lot that we can learn, and we will listen to all that comes out of the review and work with the Department for Education. As he will know, youth services are provided by that Department and not the Home Office, but we work closely together.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): But does the Minister understand the basic principles of the matter? Youth services are essential to directing young people into positive engagement, and they are better and more cost-effective for the Home Office than dealing with the consequences after young people have got involved in crime. Will she and other Home Office Ministers understand and pursue that, in the way that was suggested in the Justice Committee's report on justice reinvestment?

Lynne Featherstone: That is exactly why the Department for Education's early intervention grant, worth £2.2 billion in 2011-12, is in place. Early indications of how local areas might make best use of that grant were given in December 2010. It will give them the flexibility to target funding on early interventions, which, as the right hon. Gentleman said, are absolutely vital.

Police (Rural Areas)

5. **Julian Smith** (Skipton and Ripon) (Con): What assessment she has made of the challenges faced by police forces required to police large rural areas. [35094]

The Minister for Policing and Criminal Justice (Nick Herbert): Rural areas can present challenges for policing because of their geographical size and the remoteness of their communities. The Government's reform programme to reduce bureaucracy will help policing in rural and urban areas alike.

Julian Smith: I thank my right hon. Friend. Will he urge police forces to work much more closely with fire services and others to share back offices and facilities in rural areas and save taxpayers' money?

Nick Herbert: The short answer is yes. Police forces could make huge savings by collaborating with each other and with other authorities. An example is the proposed national police air service, which will save £15 million a year once it is fully in place. I hope that police authorities will agree to it.

Chris Leslie (Nottingham East) (Lab/Co-op): Would it not be a mistake to prop up rural police funding by plundering the police resources of urban areas? For example, many people in my constituency are worried about the future of Sherwood police station. Why are the Government cutting the most from the least well-off communities?

Nick Herbert: I agree with the hon. Gentleman that that would be a mistake, and we certainly do not make funding allocations on that basis. Of course police forces have had to make savings, but we have decided that the fairest approach is to ensure that all forces make an equal share of the savings. The majority of grant is, of course, allocated according to the formula.

Mr James Gray (North Wiltshire) (Con): Although co-operation among forces, and indeed between the police, ambulance and fire services, is essential, as the Minister correctly suggests, does he not agree that there is a real risk that if a rural police force such as mine in Wiltshire were to co-operate too closely with, say, Bristol on one side or Swindon or Reading on the other, resources would be pulled out of the rural areas and into the urban ones? Keeping a rural police service is extremely important.

Nick Herbert: I strongly agree with my hon. Friend about the importance of keeping rural policing services. In the end, these are matters for the determination of chief constables, who must remain operationally independent and allocate resources properly, and their police authorities. We do not seek to interfere with that, but we do seek to drive savings where they can be made by greater collaboration between forces.

Susan Elan Jones (Clwyd South) (Lab): The chief constable of North Wales says that it will be impossible to protect front-line services with cuts of £22.6 million over the next four years. Will the Prime Minister please tell us—*[Interruption.]* I apologise for what may appear to be a promotion. Will the Minister explain what assessment he has made of those figures?

Nick Herbert: That is easily the nicest thing that has been said to me since I have been in this job—indeed, it may be the only nice thing.

I want to discuss these issues with the chief constable of North Wales. We believe that by making significant savings in their back and middle offices, by sharing services and by improving procurement, it is possible for police forces to deal with funding reductions while protecting front-line services. It is up to the police authority and the chief constable to do everything they can to ensure that that is the case.

Migration

6. **Gareth Johnson** (Dartford) (Con): What recent progress has been made towards the Government's commitment to reduce net migration. [35095]

The Secretary of State for the Home Department (Mrs Theresa May): We have already announced that we will introduce a new permanent limit on non-EU economic migrants, with a reduction in visas from tiers 1 and 2 in the next financial year from 28,000 to 21,700. Those changes to the economic routes will be introduced in April. We are currently consulting on changes to tighten the student route and will consult on family and settlement later this year.

Gareth Johnson: I am grateful to the Home Secretary for her answer. I am sure she agrees that reducing net immigration is essential to the United Kingdom. How successful was the points-based system in controlling immigration to this country?

Mrs May: My hon. Friend is right, and that is why the Government have the aim of reducing net migration to tens of thousands from the hundreds of thousands. Of course, it reached the hundreds of thousands under the points-based system that the previous Government operated. However, the problem was not the points-based system, but the fact that the previous Government had no proper policy for ensuring that immigration was brought under control. This Government will ensure that immigration is controlled and that net migration is reduced.

Shabana Mahmood (Birmingham, Ladywood) (Lab): What is the exact reduction that the Secretary of State will achieve in the net migration figures this year and in each year up to 2015 to fulfil the firm pledge, which she appears to have again relegated to the status of an aim, to cut net migration to the tens of thousands by 2015? *[Interruption.]*

Mrs May: As one of my hon. Friends just said, "Nice try." Of course, I am unable to give the hon. Lady an exact figure for net migration this year. There will be people across the world who have not decided whether they want to apply to come to the UK, and people in the UK who have not yet decided whether they want to leave. Nobody knows exactly what that figure will be.

Non-EU Student Immigration

7. **Mr Desmond Swayne** (New Forest West) (Con): What steps she plans to take to control student immigration from non-EU states. [35096]

11. **Andrew Selous** (South West Bedfordshire) (Con): What steps she is taking to control levels of student immigration from non-EU states. [35100]

The Minister for Immigration (Damian Green): The Government launched a public consultation on proposed changes to the student visa arrangements on 7 December 2010. The proposals will result in a more selective system and reduce the numbers to support our aim of reducing net migration to sustainable levels.

Mr Swayne: What importance does the Minister attach to student visas in his overall objective of reducing net migration to a sustainable level?

Damian Green: It is an extremely important part of the overall reduction that we need. Taking action on students is particularly important as they make up roughly two thirds of non-European economic area immigrants, and the number of student visas issued has been rising in recent years. Getting a proper grip on the out-of-control system that we inherited requires action on all the main routes of immigration, and that is precisely what the Government will do.

Andrew Selous: Will my hon. Friend reassure me that in future there will be robust checks on the departure of all foreign students whose visas have expired?

Damian Green: Yes, we are proceeding with the e-Borders system, which already manages to track the journeys of roughly 55% of those who come in and out of the country. By the end of the Parliament, that figure will be up to mid-90%. My hon. Friend identifies a key problem: it is not just a question of who comes but of how long they stay and whether they go at the end of their stay.

Barry Gardiner (Brent North) (Lab): In taking the action on students about which the Minister has spoken, will he acknowledge the importance of non-EU students to British institutions of higher education and learning? Will he ensure that he clamps down on the bogus colleges that have violated those students' expectations?

Damian Green: I am happy to agree with both points in the hon. Gentleman's question. Of course we want our universities to flourish and the brightest and best students to come to this country and study at good, genuine institutions. However, we are already cracking down on the bogus colleges and on those that do not provide a proper education. The significance of the distinction between those two things, which the hon. Gentleman rightly makes, is that more than 40% of those who come here on student visas study at below degree level. Often, the public perception of a student as somebody who studies at a university is simply wrong in the case of those who come here from abroad on student visas.

Mr Gerry Sutcliffe (Bradford South) (Lab): But if, as the Minister says, 40% of students are on below-degree courses, his policy could have a major impact on the funding of colleges and universities. Has he had discussions with Government colleagues about the impact of achieving the 40% reduction that he is apparently looking for?

Damian Green: I welcome the hon. Gentleman to his first Home Office questions as the Labour party's immigration spokesman. Yes, of course we have extensive discussions within the Government on the effects of the controls that we will introduce. He will have seen that very surprising numbers of people come here to do sub-degree courses not at public further education colleges but at privately funded colleges. He will be aware that there are many hundreds of those colleges, and that they are—frankly—of variable quality.

Crime Levels

8. **Barbara Keeley** (Worsley and Eccles South) (Lab): What estimate she has made of the change in the level of crime since 1997. [35097]

The Minister for Policing and Criminal Justice (Nick Herbert): The two main measures of crime—the British crime survey and police recorded crime—provide either a partial or confusing picture of trends in crime since 1997. It is crucial that we have a measure of crime in which the public have confidence. That is why we have asked the national statistician to lead an independent review of how it is produced.

Barbara Keeley: The picture of crime in Greater Manchester is neither partial nor confusing—between 1998 and 2009, the number of police officers rose by 1,200 and crime fell by a third. However, with the cuts imposed by this Government, Greater Manchester police will lose 1,400 police officers. Our chief constable told the Select Committee on Home Affairs that that will mean changes to policing, fewer police on the streets and a lesser service. What does the Minister—in his current role or any future exalted one—plan to do if the Government's cuts lead to a rise in crime, as my constituents fear they will?

Nick Herbert: I should first of all point out to the hon. Lady what the chief constable of Greater Manchester police actually said. He said that

"the end result will be more resources put into frontline policing and a more efficient and effective service for the people of Greater Manchester."

If she is going to mount her attack on the basis of police numbers falling, perhaps she will reflect on the fact that police numbers in Greater Manchester fell in the last year of the Labour Government.

Andrew Bridgen (North West Leicestershire) (Con): Under the previous Government, more than 4,000 new offences were created—an average of 28 new offences for every month of that Government. Does my right hon. Friend agree that we should not have a deluge of new offences under this Government?

Nick Herbert: I agree with my hon. Friend that the previous Government's record was repeatedly to introduce criminal justice Bills and to create more and more offences. This Government want to ensure that the police can focus on crime fighting rather than on form writing and the bureaucracy that they were landed with by the previous Government.

Mr Jack Straw (Blackburn) (Lab): As the British crime survey was established by the previous Conservative Administration to produce greater accuracy in assessing levels of crime, why does the right hon. Gentleman not show the same courage as the former Home Secretary, now Lord Howard, and simply admit that crime went up inexorably until 1995, and that since then, on the Conservative's own measure, crime has consistently fallen to one of the lowest levels that we have seen in three decades?

Nick Herbert: I note that on the right hon. Gentleman's measure, crime started to fall two years before the advent of a Labour Government. He knows as well as I do that the British crime survey excludes important crimes—those against young people and property—and we therefore believe it is important that we have measures in which the public can have confidence. That is why we have asked the national statistician to conduct an independent review of those matters. I urge him and Opposition Members to join us in giving evidence to the national statistician. Let us reach a measure in which we can all trust and have confidence.

Philip Davies (Shipley) (Con): Does my right hon. Friend agree that a DNA database, CCTV cameras and having as many criminals in prison as possible all contribute to a reduced level of crime? Would he like to comment on what impact the Government's plans will have on levels of crime in future?

Nick Herbert: As so often, I do not agree entirely with my hon. Friend. Of course, the national DNA database and CCTV are important, but it is equally important that there is proper governance of them and that we achieve a proper balance between civil liberties and crime-fighting measures.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): It is a pleasure to be working once again opposite the Secretary of State, the right hon. Member for Maidenhead (Mrs May). I am only sorry not to be asking my first Home Affairs question of her.

The Minister for Policing and Criminal Justice said that there is no link between the number of police officers and the level of crime. However, the *Birmingham Mail* has reported that some parts of Birmingham have already seen a recruitment freeze, a cut in the number of officers in the neighbourhood team and a significant increase in the number of burglaries in the past nine months. The local police, who are being put in a very difficult position by the Government, have said that they are struggling to fight crime in the area as a result. Does he still stand by his claim or will he admit, to the police and the public, that he has got it wrong?

Nick Herbert: May I first welcome the right hon. Lady to her post? I look forward to debating these issues with her, although I hope she will not follow the poor example of her successor—*[Laughter.]* I mean her predecessor. I hope that she will not follow his poor example by partially quoting Government Members. I did not say that there was no link, and she should know that. Instead, I should point out something said by somebody with whom I believe she has regular conversations: that this was a tighter environment for police spending, and would be under any Government.

That was what the new shadow Chancellor said to the Home Affairs Committee on 22 November 2010, when he was shadow Home Secretary.

Child Protection

9. **Jo Swinson** (East Dunbartonshire) (LD): What factors she took into account in reaching her decision to merge the Child Exploitation and Online Protection Centre and the national crime agency. [35098]

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): Protecting vulnerable children is an absolute priority for the Government, and we believe that the work of CEOP is central to ensuring that children are protected at a national level. Whatever final decision we make on the future status of CEOP, we will carefully take full account of the particular characteristics needed to ensure that CEOP continues to thrive in the future.

Jo Swinson: CEOP is well respected for the excellent work it does, including in improving protection on social media—for example, the panic button on Facebook. The resignation of Jim Gamble will cause great concern to many parents, so what reassurance can the Government give that child safety online will be prioritised and enhanced under the new structure, and certainly in no way compromised?

James Brokenshire: I thank the hon. Lady for her comments because they allow me to underline the Government's gratitude for the continuing work of CEOP and the importance that we place on it. That has certainly been highlighted by the thematic assessment that it is undertaking of the appalling incidents uncovered as a consequence of Operation Retriever. We are looking closely at the specific characteristics that need to be retained to ensure that CEOP continues to thrive, including a clearly delegated authority for its budget, operational independence and the ability for external partners to continue to work alongside it. We regard CEOP as very significant, and will continue to support it.

Paul Goggins (Wythenshawe and Sale East) (Lab): On that last point, I am sure that the Minister will acknowledge that one of CEOP's great strengths is the partnerships it has created with the private sector and children's organisations. What evidence can he give to the House, therefore, that under his proposals CEOP will continue to be able to raise about one third of its running costs from sources outside Government?

James Brokenshire: An important point to make is that some people have suggested that were we to decide that CEOP should form part of the new national crime agency, it would in some way change its characteristics. The right hon. Gentleman will know probably better than most that CEOP is already part of the Serious Organised Crime Agency, where it has been able to attract partners from the voluntary and community sector as well as the private sector. We are clear that that relationship needs to be maintained into the future, whatever the format or wherever CEOP sits when we finally reach our conclusions in the current review.

Vernon Coaker (Gedling) (Lab): Cuts in police officer numbers will mean reductions in the numbers of specialist officers and specialist units. CEOP has been a great success, working with others to protect children. Children's charities such as the National Society for the Prevention of Cruelty to Children and people such as Sara Payne oppose its merger with the new national crime agency. The Chair of the Home Affairs Committee has also expressed concern, and CEOP'S chief executive has resigned. Why are they all wrong and the Minister right?

James Brokenshire: We are still considering this issue, but the Home Secretary has said that her preferred option would be for CEOP to be part of the national crime agency, because of the strong links and the need for enforcement capability. However, we recognise the other functions that CEOP performs, which is why we are considering the matter carefully. It is also why I set out clearly the relevant factors and characteristics that we recognise in CEOP, and why we will ensure that it is protected.

Police (Regulatory Burden)

12. **Nicky Morgan** (Loughborough) (Con): What steps she plans to take to reduce the burden of regulation on police forces. [35101]

18. **Sajid Javid** (Bromsgrove) (Con): What steps she plans to take to reduce the burden of regulation on police forces. [35108]

The Secretary of State for the Home Department (Mrs Theresa May): We have removed central targets by scrapping the policing pledge and the public confidence target, and we will be abolishing the assessment of policing and community safety. We are also working with Her Majesty's inspectorate of constabulary to develop new, light-touch monitoring arrangements for police forces that will allow us to focus on performance, at the same time as reducing the inspection burden.

Nicky Morgan: I thank the Secretary of State for her answer. Police community support officers and police officers are a valuable resource in the communities that they serve in Loughborough and surrounding villages. Does my right hon. Friend agree that where savings need to be made, Leicestershire police force and others should be looking at the back office for those savings, not the front line?

Mrs May: I entirely agree with my hon. Friend. It is possible for police forces to make significant savings in the back office, and that is where they should look first. We are helping them by scrapping the stop form and reducing what needs to be recorded on the stop-and-search form. We will save 800,000 hours of police time a year.

Sajid Javid: My local police force, West Mercia, finds itself involved in increasing amounts of social work. Although that is to be commended—such compassion is good—it draws resources away from fighting crime. Will my right hon. Friend commit to reviewing regulations and working with her Cabinet colleagues to look at the

issue carefully and ensure that social work is carried out by dedicated social services, so that the police can focus on fighting crime?

Mrs May: I have made it absolutely clear to the police that their aim is to cut crime, but of course they work with other agencies, in a variety of ways, on the issues that they deal with. The important thing is that when such work takes place, it leads to effective action, whatever that action should be, and not, sadly, what used to happen, as we saw from HMIC's report on the response to antisocial behaviour. All too often, meetings and partnership meetings took place just for the sake of it, rather than something being done on the ground to benefit people.

Mr Bob Ainsworth (Coventry North East) (Lab): The Home Secretary appears to be continuing with the trend of what she has been saying, which is that the cuts in the police budget can be met by back-office cuts and reductions in regulation. In the west midlands there have been huge reductions in back-office staff and a freeze on police recruitment. Does she believe that the chief constable is just a fool, or is she in denial?

Mrs May: I was interested that the right hon. Gentleman's initial comment was that he was grateful for some consistency from a Minister. Perhaps that was more a comment about the Labour Government, of whom he was a senior member, and the policies that they introduced. What I would say to him is indeed what I have been saying since I came into this role. It is possible for police forces to make significant savings in their budgets by making savings in the back office. HMIC reported that simply ensuring that all police forces met average efficiency levels could save 12% in their budgets, which does not take into account issues such as procurement, IT procurement and the potential for a two-year pay freeze, were that to be agreed by the police negotiating board.

Andrew Gwynne (Denton and Reddish) (Lab): One way to reduce the burdens on front-line police is to have a team of support staff in place to do many of the tasks necessary to bring about successful convictions. Does the Home Secretary not understand the anger and dismay of people across Greater Manchester, who are set to lose not only almost 1,400 front-line police officers, but 1,500 support staff? Will she think again?

Mrs May: One way to release the police to do the job that the public want them to be doing, on the front line, is to get rid of the bureaucracy that was introduced by the last, Labour Government, which ties too many police officers up behind a desk, so that they are not out there on the streets.

South Wales Police (CSR)

13. **Kevin Brennan** (Cardiff West) (Lab): What recent estimate she has made of the effects of the outcomes of the comprehensive spending review on police numbers in south Wales. [35102]

The Minister for Policing and Criminal Justice (Nick Herbert): It is for the police authority and chief constable to determine the number of officers in south Wales within the available resource. The Government are determined to help forces protect the front line by reducing costs and bureaucracy.

Kevin Brennan: It is quite clear that there are going to be huge reductions in the number of police officers in south Wales and elsewhere. Will the Minister tell the House exactly when the Conservative party decided that it was no longer interested in being known as the party of law and order?

Nick Herbert: I do not accept what the hon. Gentleman says. We have to deal with a budget deficit bequeathed to us by the previous Government. The police service spends some £13 billion a year, and it can contribute to the savings that have to be made. Those on the Labour Benches have conceded that police forces can save more than £1 billion a year without affecting the front line.

Family Intervention Projects

14. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What funding her Department will make available during the spending review period for the implementation of family intervention projects. [35103]

The Parliamentary Under-Secretary of State for the Home Department (Lynne Featherstone): From April 2011, funding decisions on specific early intervention priorities, including family intervention projects, will be devolved to local areas. The Department for Education's new early intervention grant, worth £2.2 billion in 2011-12, will give local authorities the flexibility that they need to plan how best to use central Government funding for local services according to local priorities.

Mrs Hodgson: Earlier today, the former shadow Home Secretary, the right hon. Member for Haltemprice and Howden (Mr Davis), said that, without Andy Coulson, the Government would lack any idea about what the priorities of the general public were. I can inform the Minister that one of the major priorities for most of the general public is antisocial behaviour, and that family intervention projects are a proven way of nipping that problem in the bud. Can she guarantee that, even without the man-of-the-people guidance of Mr Coulson, important but low-profile projects such as family intervention projects will continue to be a funding priority?

Lynne Featherstone: I am not sure that the hon. Lady was listening to my earlier response, in which I said that the Department for Education had already allocated £2.2 billion for 2011-12. There will be almost £2.3 billion in 2012-13. I do not think that that suggests that we do not think this is important.

Simon Kirby (Brighton, Kemptown) (Con): Does the Minister agree that, in the past, there has been far too much duplication in the public services, and that a more holistic approach would not only benefit families but save money?

Lynne Featherstone: My hon. Friend is entirely right. A great deal of money is spent on chaotic families, who, up to now, have had a series of agencies trying to help them. The move to a single key worker will save an enormous amount. The original estimate was between

£250,000 and £300,000, but with a specially allocated key worker and early intervention, the cost could be as low as £14,000.

UK Border Agency (CSR)

15. **Kelvin Hopkins** (Luton North) (Lab): What estimate she has made of the likely change in the number of UK Border Agency staff as a result of the outcome of the comprehensive spending review. [35105]

The Minister for Immigration (Damian Green): The UK Border Agency has estimated that the number of UK Border Agency staff will reduce by about 5,200 during the spending review period.

Kelvin Hopkins: We deal with hundreds of immigration cases in my constituency every year. While the situation undoubtedly improved under the previous Government, there are still substantial delays in the UK Border Agency's dealing with cases. May I suggest to the Minister that we need an increase in staff, not a reduction?

Damian Green: I am interested to hear that those on the Labour Back Benches are still calling for public spending increases. It will be interesting to see what those on the hon. Gentleman's Front Bench say about that. He is wrong in several respects. The UK Border Agency is getting better, and it will get better still. It will do that in two ways. First, we will replace the costly and outmoded paperwork that it depended on in the past with the appropriate use of new technology. Secondly, the very use of that technology will mean that we can better target our resources of people and money on those who are most likely to cause harm to the UK. So we will be able to provide a better service, even with fewer staff.

Dr Julian Huppert (Cambridge) (LD): What estimates has the Minister made of the number of staff that would be required if the UK Border Agency got its decisions right the first time?

Damian Green: My hon. Friend makes a very good point. The higher the quality of the initial decision making, the fewer resources of money and people will be needed later. Part of the reason for having the new technology—new ways of applying for visas, for example—is that we will be able to use senior and more experienced staff to take the initial decisions, so that more of them can be got right first time.

Police (Bolton)

16. **Mr David Crausby** (Bolton North East) (Lab): What estimate she has made of the number of police officers in Bolton (a) on the latest date for which figures are available and (b) at the end of 2014-15. [35106]

The Minister for Policing and Criminal Justice (Nick Herbert): Bolton Metropolitan borough division had 527 police officers on 31 March 2010. It is not possible to forecast the position in 2014-15. It is a matter for the chief constable and the police authority to determine the number of police officers and other staff that are deployed to Bolton.

Mr Crausby: Well, the Minister might be in denial about the numbers in 2014, but the rest of us know that under this Government there will be fewer police officers in Bolton in that year than there are now. After all those years in opposition making a case for having more bobbies on the beat, how can this Government retain any credibility without admitting that fewer police officers will mean more crime?

Nick Herbert: Perhaps the hon. Gentleman will pay more attention to what the chief constable of the Greater Midlands—[Hon. Members: "Greater Manchester"]—police is saying. I am sorry, I mean the chief constable of the Greater Manchester police. He told *The Bolton News* that cuts would not affect the front line and went on to say that there was "no reason" why crime should go up. He pointed out to the Home Affairs Committee that some of the force's headquarters operations had got too big and that some police officer numbers had been kept artificially high. He said that they had lots of police officers doing administrative posts just to hit that number.

English Defence League

17. **Gavin Shuker** (Luton South) (Lab/Co-op): What recent assessment she has made of the extent of the activities of the English Defence League. [35107]

The Secretary of State for the Home Department (Mrs Theresa May): The Government work with a range of partners to assess the activities of the English Defence League and its impact on communities, in order to inform Government policy on tackling extremism, promoting integration and managing public order challenges.

Gavin Shuker: On Saturday 5 February, the English Defence League will rally in Luton, leading to the biggest police operations in Bedfordshire's history. Although there are undoubted concerns about short-term public order offences, does the Home Secretary share my concern and that of many of my constituents about the long-term effects on community cohesion resulting from this extremist group?

Mrs May: I do indeed share concerns about the EDL, its actions and its impact on communities when it marches. As I understand it, Bedfordshire police are looking very carefully at the policing arrangements for the march in Luton. We should all be aware of the damage that the EDL's divisive message can do to communities.

Paul Uppal (Wolverhampton South West) (Con): Can the Home Secretary do anything to address the issue of the internet, which is having the effect of radicalising young people on both sides of the political spectrum?

Mrs May: My hon. Friend has raised an extremely important issue, to which we need to pay close attention. It is much harder these days—precisely because of the internet—to ensure that young people do not find themselves exposed to these radicalising messages, and we have sadly seen some individuals radicalised by access to it. This is a matter that the Government take very seriously; we are talking with partners about it.

Topical Questions

T1. [35114] **Bob Blackman** (Harrow East) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Mrs Theresa May): At the end of last year, Parliament passed the Identity Documents Act 2010, which the Home Office introduced to scrap the previous Government's regime of intrusive, ineffective and expensive ID cards. In 2011, we will take further steps towards restoring the rights of individuals, eliminating wasteful bureaucracy and making the police service more accountable to local people.

Bob Blackman: I congratulate my right hon. Friend on the steps she is taking to sort out the chaotic immigration system that she inherited. Issues of concern include students who come to this country on a temporary basis, but fail to leave; and people who come as visitors, who overstay their welcome and then attempt to transfer to permanent status. What moves is she making to break that link?

Mrs May: We are making a number of moves. As my hon. Friend the Minister for Immigration said in response to an earlier question, we are looking at the student visa route and ensuring that we can stop abuses pertaining to it. We are also looking at stopping people here on a temporary basis moving on to a permanent settlement basis. Last year, 62,000 people who came here to fill temporary skills gaps then moved into permanent settlement. That is not right.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I shall ask the Home Secretary about the counter-terrorism review. On Thursday, the Minister for Immigration had to be dragged to the House to tell us Government policy on pre-trial detention. He told us that emergency legislation would be kept on hand in the Library of the House. The old powers lapse at midnight, yet as of half an hour ago, there was still no draft emergency legislation in the Library. On Sunday, the Deputy Prime Minister told the media that control orders were being abolished and at lunch time today, the BBC—not this House—was briefed that the new measures would include tagging and overnight residence requirements and would look a lot like control orders. This is a chaotic, shambolic and cavalier process. Where is the draft legislation? Will the Home Secretary now tell us what is happening with the legislation and with control orders, and will she take the opportunity to apologise for this shambolic process on such an important issue?

Mrs May: First, may I welcome the right hon. Lady to her new post as shadow Home Secretary? I am sure that she will enjoy the post. She is the third shadow Home Secretary I have faced in my nine months as Home Secretary. For her sake, I hope that she stays longer in the role than her predecessors have.

The right hon. Lady makes a point about process and refers to the 28-day pre-charge detention issue. May I say to her that the previous shadow Home Secretary clearly supported the Government on taking pre-charge detention down from 28 days to 14 days? Earlier today, the shadow Home Secretary was unfortunately unable to answer the question whether she supported 14 days' pre-charge detention. If she is interested in chaos, she should look at sorting out her own policy.

T3. [35116] **Sarah Newton** (Truro and Falmouth) (Con): Will my hon. Friend the Minister meet me and Detective Inspector Snell to learn how Devon and Cornwall constabulary have been able to tackle the growing incidence of child sexual exploitation, so that the Government can develop a holistic plan of action to tackle a most serious situation involving thousands of children in every part of the country?

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): I thank my hon. Friend for raising the point and for highlighting the work of Devon and Cornwall police on Operation Lakeland, which led to the conviction of six men jailed for sexually abusing girls in Cornwall. I would be happy to meet her and the detective inspector to learn from their experiences. She will be aware of the thematic review that the Child Exploitation and Online Protection Centre is undertaking in relation to this area of policy. I am also discussing with the Under-Secretary of State for Education, my hon. Friend the Member for East Worthing and Shoreham (Tim Loughton), some of the significant matters highlighted by the recent report by Barnardo's.

T2. [35115] **Hazel Blears** (Salford and Eccles) (Lab): Contrary to the assertion of the Minister for Policing and Criminal Justice, the chief constable of Greater Manchester, Peter Fahy, has said that £134 million of cuts will have a significant effect on front-line policing. He has gone on to say that police stations across Greater Manchester will now have to close. Does the Minister think that police stations are front-line? Will he tell us which police stations in Greater Manchester will close and when?

The Minister for Policing and Criminal Justice (Nick Herbert): The closure of police stations is an operational matter for the police, but the right hon. Lady should know perfectly well that under the previous Labour Government some 400 police stations closed. What responsibility does she accept for that?

T4. [35117] **Neil Carmichael** (Stroud) (Con): In my constituency, there is a healthy appetite for more policemen actually on the beat. Will the Minister join me in welcoming the fact that the chief constable of Gloucestershire has reorganised his force and has increased the number of policemen on the beat, from 563 to 661?

Nick Herbert: I welcome the action taken in Gloucestershire. The chair of its police authority has said that

"we are making sure that what we do is increase our capacity to police and not increase our costs."

That shows that it can be done. Other forces are either protecting neighbourhood policing or even increasing it. I note that the chair of Gloucestershire police authority is also the chairman of the Association of Police Authorities.

T6. [35119] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Year after year, my constituents tell me that their greatest concern is fear of crime. That is why they have fought hard to get 10 safer neighbourhood teams. Because of the cuts, the local police force is now consulting not on merging back offices or services, but on cutting those 10 safer neighbourhood teams down to two or three. Does the Minister believe that those cuts will help my constituents fear crime less, or make them less likely to be victims of crime?

Nick Herbert: I have had several discussions with the Mayor, the deputy Mayor for policing and the acting Metropolitan Police Commissioner, all of whom are absolutely committed to protecting neighbourhood policing. We are all convinced that it is possible to drive considerable savings in policing, including the Met, in the back and middle office, so that the visible and available policing that the public value can be protected.

T5. [35118] **Karen Lumley** (Redditch) (Con): I congratulate the UK Border Agency on its work. At the weekend, it caught five illegal immigrants on the French border who had been making their way to my constituency in a lorry. I welcome the increased border policing on the other side of the channel, but what further steps will the Department take to ensure that stronger measures are introduced to deter those who try to smuggle people into the United Kingdom?

The Minister for Immigration (Damian Green): I am delighted to hear that the effective controls that we are reinforcing at the border are having a beneficial effect in my hon. Friend's constituency. She asked about further measures. I am happy to tell her that only a couple of months ago, at the Anglo-French summit, I signed a new treaty with my French counterpart which commits both countries to increasing the strength of our existing controls in Calais and extending them to other parts of the French coast. That means that we will be equally tough on any activity that is displaced from Calais to other parts of France. We are ensuring that our borders are much better controlled than they were in the past.

T8. [35121] **Mr Dave Watts** (St Helens North) (Lab): Is the Government's position that the number of police officers and community support officers in this country has no impact on crime levels?

Mrs May: Both the Policing Minister and I have responded to that point on a number of occasions. We have made it absolutely clear that there is no simple link between the number of officers and the level of crime. There are instances throughout the world in which police forces have increased their numbers and crime has risen, and other instances in which police numbers have fallen and crime has fallen.

T7. [35120] **Dr Sarah Wollaston** (Totnes) (Con): Last year, nearly half of all violent crime in Devon was alcohol-related. That represents 4,568 instances of completely avoidable violence. I welcome the introduction of a ban on below-cost sales of alcohol as a first step, but does the Minister share my fear that, because it involves only VAT plus duty, it will not go far enough in tackling this serious problem? What other measures will be introduced to tackle alcohol-related crime?

James Brokenshire: My hon. Friend is right to highlight the link between alcohol and levels of crime. In fact, 50% of violent incidents are associated with alcohol. Our proposal to ban below-cost sales on the basis of duty plus VAT constitutes an initial package. We will introduce further measures to deal with licensing and other issues involving problem pubs and other alcohol outlets, and also with problem practices. That is precisely what the duty plus VAT element is about.

We will continue to monitor this complex area of policy. In particular, we will consider the rate of duty in the context of super-strength lagers, which have been associated with problematic behaviour.

T10. [35123] **Fiona Mactaggart** (Slough) (Lab): Why are the Government—unlike the Governments of other European countries which are increasing the support for the victims of trafficking—proposing to reduce the period during which a victim of trafficking will not face deportation from 45 days to 30 days?

Damian Green: The hon. Lady knows that the United Kingdom is committed to working with others, including our European partners, to tackle human trafficking. She was present for the debate in which I said that later in the year we would announce a new strategy on trafficking as a whole. That strategy will enable us not only to build on the work of the last Government in relation to caring for the victims of trafficking—which I commend—but to become much more efficient at prevention, in particular by acting overseas, so that fewer and fewer people are trafficked in the first place. That is the most effective action that we can take to reduce the incidence of this dreadful crime.

T9. [35122] **Julian Smith** (Skipton and Ripon) (Con): How concerned is the Minister about the increase in family violence towards young women who adopt values that are contrary to the beliefs of their families?

The Parliamentary Under-Secretary of State for the Home Department (Lynne Featherstone): Obviously the Government are very concerned. Any form of violence is unacceptable, and tackling violence against women and girls is a key priority for us. Work to tackle all forms of honour-based violence is included in the strategic narrative that we launched on 25 November, and further information about our approach to the issue will be provided in the supporting action plan that we will publish in the spring.

Ms Karen Buck (Westminster North) (Lab): Further to the Minister's answer on safer neighbourhood team policing, will he give a commitment that by this time next year there will continue to be a dedicated ward sergeant for every safer neighbourhood ward team, as now?

Nick Herbert: The hon. Lady should know that we cannot give commitments like that. The previous Government would not give commitments on police officer numbers. These are operational matters for the police. I point out to her that we have protected the neighbourhood policing fund, including by ring-fencing it for the next two years, because we value neighbourhood policing.

Greg Mulholland (Leeds North West) (LD): Alcohol disorder zones did not work and they also penalised well-run community pubs that did nothing to contribute to alcohol-fuelled disorder. I am pleased that the Government are listening on this, but can the Minister reassure the House that the new late-night levy will make allowances for late-night community pubs, be that for one-off or once-a-year events, such as new year, or for staying open a little later at the weekends, as my excellent local, the Manor House in Otley, does? Will he assure us that they will not be penalised by a blanket charge?

James Brokenshire: The hon. Gentleman has rightly highlighted those responsible premises that act appropriately and reflect their communities. Our proposals in the Police Reform and Social Responsibility Bill on the late-night levy are intended to be an additional tool for local communities to decide what is appropriate for their area. We are learning from the cataclysmic failure of the previous Government's alcohol disorder zones. They were simply incapable of being implemented, and it was therefore not surprising that nobody took them up.

Mr David Winnick (Walsall North) (Lab): Is the Home Secretary aware that in last Thursday's exchanges on counter-terrorism there was criticism from those on her side, as well as those on our side, about the leaks to the media? Is it not important that the House of Commons should learn first of these things? That certainly has not happened in this case. Why on earth can we not have a statement today, instead of waiting until Wednesday or some other time?

Mrs May: We made absolutely clear to the House the procedure that we were going to follow on announcing the results of the counter-terrorism legislation review. On 13 January, my right hon. Friend the Leader of the House explained that a statement would be made this week, and last Thursday, in my absence abroad, the Minister for Immigration said that a statement will be made on Wednesday. Not only will that statement set out clearly the results of the review, but it will be accompanied by the publication of the review and the report of the independent reviewer, Lord Macdonald.

Jessica Lee (Erewash) (Con): At my Friday surgery, I had the real privilege of meeting a constituent who volunteers at the local rape crisis centre. I say that not least because she, herself, has been a victim of the horrific crime of rape and has, none the less, given up her time to train and support others. Would my right hon. Friend like to thank volunteers who really do conduct themselves in this impressive way and give back to our communities on this difficult subject?

Lynne Featherstone: I thank my hon. Friend for her question. I think that Members on both sides of the House would acknowledge that volunteers do an incredible amount of work. That is particularly noticeable in the violence against women sector, where so many organisations work closely in small groups, particularly with minority communities. I thank her constituent for the work that she does.

Lilian Greenwood (Nottingham South) (Lab): Nottinghamshire is set to lose more than 300 police officers over the coming four years. What guarantee can the Minister give my constituents that crime in our city will continue to fall?

Mrs May: We have answered a similar question on a number of occasions, both today and previously. First, there is no simple link between the number of officers and the level of crime. Secondly, the decisions that the hon. Lady's local force is taking about the deployment of particular police officers and about the number of officers and staff it has are operational matters for the police to address, within the resources available to them. We know that it is possible for significant savings to be made from the back and middle office without affecting front-line policing.

Several hon. Members *rose—*

Mr Speaker: Order. I could happily listen to my colleagues' questions and answers all afternoon, but I am afraid that we must move on.

Points of Order

3.34 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): On a point of order, Mr Speaker. This Chamber was told on Thursday that the draft emergency legislation would be placed in the Library of the House. The matter was raised in an urgent question and on a point of order from my hon. Friend the Member for Bradford South (Mr Sutcliffe), yet it is not there. The BBC has been told that the counter-terrorism review is now complete. What can you do to assist the House and to get the Home Secretary to give a statement to the House this afternoon, not on Wednesday, on the counter-terrorism review and the location of the emergency draft legislation before the old powers run out at midnight tonight?

Mr Speaker: The Home Secretary is about to provide enlightenment.

The Secretary of State for the Home Department (Mrs Theresa May): I am grateful for the opportunity to do so. We will place draft emergency legislation in the Library of the House—[Hon. Members: "When?"] We did not say that it would be placed in the Library before the current legislation lapsed. Emergency legislation is available for the use of this House in the intervening period, if necessary, and that is section 25 of the Terrorism Act 2006. The correct legal process for reducing the period from 28 days to 14 days is to allow the existing legislation to lapse because that was the sunset clause put in the legislation by the last Labour Government.

Mr Gerry Sutcliffe (Bradford South) (Lab) *rose—*

Mr Speaker: Is it a separate point of order?

Mr Sutcliffe: No.

Mr Speaker: In that case, we should leave it where it is for today—*[Interruption.]* Order. The shadow Home Secretary has raised a point of order and comment has been made on the matter. Those accounts are before the House and I do not think that there is anything further I can do at this stage.

Chris Bryant (Rhondda) (Lab): The Home Secretary said the opposite of what was said last week.

Mr Speaker: Order. I say to the hon. Gentleman that these are at least in part matters of debate and argument. The point has been made very clearly by the shadow Home Secretary, expressing concern not merely on her behalf but on that of many others. The Home Secretary has replied to that point.

Mr Tom Watson (West Bromwich East) (Lab): On a point of order, Mr Speaker. We hear serious allegations that two former Prime Ministers were concerned about phone hacking. Have you had notice of a statement from the Home Office to see what steps it is taking to establish whether the current Prime Minister and his Chancellor were also victims of News International's phone hacking?

Mr Speaker: I have received no such notification and the hon. Gentleman has put his point on the record. I know that he and the House will appreciate that I have a responsibility to protect the important business that will follow these points of order.

Andrew Miller (Ellesmere Port and Neston) (Lab): On a point of order, Mr Speaker.

Mr Speaker: I hope that it is a different and unrelated point of order.

Andrew Miller: I said that it was—*[Interruption.]*

Mr Speaker: Order. The hon. Gentleman can raise a separate and unrelated point of order.

Andrew Miller: During two successive business questions, I have raised an issue with the Leader of the House relating to the failure of the Department for Transport to answer questions that have been properly laid in this Chamber. Last Wednesday, for the first time in my 19 years here, I used the device of an answer for today. It still has not been answered. Will you please use your good offices to ensure that the Department for Transport does its duty towards this House?

Mr Speaker: The pledge that appeared to have been made to the hon. Gentleman does not appear to have been fulfilled, as far as I can tell. At any rate, the hon. Gentleman has used a device to try to extract a reply and it has not been forthcoming. The dissatisfaction that he has expressed will have been heard. As of now, my best advice is that he should get over to the Table Office and pursue the issue further. If he needs to revert to this House again, I do not think, on the strength of his 19 years' experience, that he will hesitate to do just that. That is perfectly proper.

European Union Bill (Programme)(No. 2)

3.38 pm

The Minister for Europe (Mr David Lidington): I beg to move,

That the Order of 7 December 2010 (European Union Bill (Programme)) be varied as follows:

1. In paragraph 2, for 'five days' there shall be substituted 'six days'.

2. In paragraph 4, in the Table, for the entries relating to the proceedings required (so far as not previously concluded) to be brought to a conclusion on the fifth day there shall be substituted the following:

Proceedings	*Time for conclusions of proceedings*
Clauses 15 to 17, Schedule 2, new Clauses relating to Part 2, new Schedules relating to Part 2, Clauses 19 to 22, remaining new Clauses, remaining new Schedules, remaining proceedings in Committee.	The moment of interruption on the fifth day.
Any proceedings on consideration.	Two hours before the moment of interruption on the sixth day.
Proceedings on Third Reading.	Two hours after the commencement of proceedings on Third Reading or at the moment of interruption on the sixth day, whichever is earlier.

As the House will be aware, the Government have proposed a small number of amendments to the European Union Bill and they will be debated, subject to your grouping of those amendments, Mr Speaker, in greater depth and at the relevant time.

Mr Peter Bone (Wellingborough) (Con): The Minister must be in absolute despair. In his very good ConservativeHome article, he said that this House would scrutinise this important legislation—the most radical since we went into the European Economic Community—but clearly we will not be able to do that today, because a number of amendments and clauses will not be reached. Is he not disappointed that the guillotine has not been lifted tonight?

Mr Lidington: As far as I am aware, it has not been a question of a guillotine. We have the normal 10 o'clock rule in place. As my hon. Friend the Member for Wellingborough (Mr Bone) is aware, the Government were keen to ensure that the House had sufficient time to consider this important legislation. We therefore proposed five days for the Committee stage in the programme motion that was tabled on Second Reading. That had been agreed in advance through the usual channels. My recollection of that day's debate is that there was no attempt to divide the House on the programme motion at that time.

With all respect to my hon. Friend, I am conscious that he cares passionately about the Bill and about the relationship of the United Kingdom with the European Union. He has strongly held, honourable and principled views on that matter, and I am sure that if he catches the Speaker's eye in the course of today's proceedings, he will speak trenchantly on the subject, as he has done on other occasions recently. But when it comes to a debate, there is also a duty on all Members of Parliament to consider the time available for the various amendments that have been grouped together, and to measure their own contributions to that debate accordingly.

Mr William Cash (Stone) (Con): Does my right hon. Friend agree that if there were any attempt during the proceedings on the programme motion or at any point during the day that might give rise to suspicions that Members were talking matters out in order to prevent important business being arrived at, his words might sound rather hollow?

Mr Lidington: I am sure that my hon. Friend the Member for Stone (Mr Cash), who has been here for a long time, knows that a balance needs to be struck between the time that is needed to examine important political and constitutional issues fairly and in the depth that both the House and the general public would expect, and the time that is available for debate, bearing in mind the many other priorities that the House has to consider. I would say gently to my hon. Friend that I believe that he spoke at some length—more than 60 minutes—during the first day's proceedings in Committee. I hope that so far he has not had reason to complain that his contributions are being crowded out.

Mr James Clappison (Hertsmere) (Con): Is my right hon. Friend aware that there are no fewer than 29 amendments, some of which are Government amendments, before we reach the fourth or fifth group, which contain the provision relating to whether there should be a referendum in the case of the accession of a new member state? That provision is extremely important, and without proper scrutiny being given to that, it could hardly be said that the Bill had had proper scrutiny in the terms that my right hon. Friend described? Would he regard it as unsatisfactory if we did not scrutinise that question, which is important for many, many people?

Mr Lidington: It would be improper for me to comment on the selection or grouping of amendments, which is properly a matter for the Chair and not the Government. My hon. Friend is right to say that the question of the possible need for a referendum on accession treaties is a matter of importance. I hope we get the opportunity to debate that in the course of today's proceedings. One of the consequences of the programme motion, which I support, is that the House will get the opportunity of a sixth day of consideration. There will therefore be opportunities for my hon. Friend and other Members in all parts of the House to table further amendments and new clauses when we reach Report.

It would have been open to the Government, having decided to table amendments and hoping—I believe not unreasonably—that those amendments might be accepted by the House, to have said to the House, "Well, we now have to make provision for a Report stage, so what we suggest is that we curtail the Committee stage from five days to four, and that we have Report and Third Reading on the fifth day." If it would be of some assurance to my hon. Friend, I want to make it clear that we had no thought of doing that.

[Mr Lidington]

We decided at the start that it was important to continue with the full five days in Committee that we had promised all parties in the House, so in order to provide for a debate on Report we have allocated an additional, sixth day for debate on Report and Third Reading. If, by some chance, the House decides not to accept any of the amendments tabled by the Government or other Members and to leave the Bill unamended in Committee, that sixth day would be available for a full parliamentary day's debate on Third Reading.

Sir Peter Bottomley (Worthing West) (Con): There seem to be three issues on which the Minister must guide the House: first, whether the Government thought that there would be no amendments and, therefore, no need for debate on Report, which seems a rather odd thing to have assumed in the first place; secondly, whether he believes that the extra day is sufficient for debating on Report any amendments that might have been made by then and any that might not have been made; and thirdly, whether he intends to avoid debate on matters on which there is substantial interest in the House. I do not intend that to be a criticism, but I would be grateful if he would comment on those three issues.

Mr Lidington: I am grateful to my hon. Friend for his intervention and will deal with each of his three points in turn. On the question of amendments, the terms of the original programme motion provided that on the fifth day we would deal with the Committee stage and with remaining stages, so the assumption was that if there was a need for a Report stage, there would be provision for it. The Government have looked closely and carefully at each of the amendments that have been tabled, from whichever side of the House they came. As I hope to have the opportunity to explain when we debate the substance of the Bill and the various amendments selected for debate, we have been influenced in our policy and in the amendments that we have tabled by the amendments that have been tabled by Back Benchers.

On the question of whether the additional day will allow adequate time for debate, I ask my hon. Friend to look at the provision of time overall for consideration of the Bill. I think that a full day for Second Reading, five complete days in Committee and a full day for the remaining stages is a pretty fair allocation of time. I am confident that it will be possible for all the important issues that colleagues on both sides of the House wish to see debated to be debated within that time, but how long Members take to debate each group of amendments or how long they spend on particular clause stand part debates is, of course, a matter for them and for the House. The Government have no intention of trying to constrain debate artificially. I very much hope that we have time to consider all the important issues that have been raised in the amendments.

3.48 pm

Mr Wayne David (Caerphilly) (Lab): This is a fascinating and intriguing Bill. There have been times in the past few weeks when, because I have had trouble sleeping, I have simply reached for a copy of the Bill to read and have been off in a wink. There are a number of important points to make. The Government have tabled several significant amendments that need to be debated and considered fully in due course by the House. They are in part concessions to comments that have been made by Government Back Benchers. One of the amendments due for consideration today relates to the treaty change for which the Germans are pressing strongly. Amendments have also been tabled due to the complexity of the Bill. From the start, one of our criticisms has been the Bill's undue complexity, and that point has been borne out, because the Government have tabled amendments to try to clarify things. There has been tremendous debate among lawyers in the Foreign Office and elsewhere about whether the Bill is compatible with existing legislation, and that simply underlines the fact that the Bill is an extremely complex piece of legislation.

We have had one day in Committee of the whole House, and during the course of the debate we heard that there are grave reservations about the inadequacy of the explanatory notes. I hope that the Government will rewrite them, given that we have an extra day, and come forward with a full and comprehensive explanation for the changes that they are bringing about.

In the light of that, and because of our belief that we need the maximum amount of time to debate the Bill, we have no objection to the motion.

3.50 pm

Mr Peter Bone (Wellingborough) (Con): I appreciate that I am eating into our time in Committee of the whole House, but that is due to an unfortunate manoeuvre that the Government now use instead of adding on time for the programme motion. If the Government had been serious about scrutiny, they would have moved a motion to lift the moment of interruption, and there would have been no point in filibustering, because everybody would have known that the debate could continue until any hour. To the people outside, it must seem extraordinary that Members of the House of Lords, who on the whole are much older than Members of this House, can speak and debate through the night, but that this House effectively has a guillotine on its proceedings. This is exactly what the previous Government did when they were in power; it is exactly what we said we would not do when we were in power; and it is an utter disgrace.

3.51 pm

Sir Peter Bottomley (Worthing West) (Con): The days of the guillotine started before the 1970s, when the then Labour Government began using it for all kinds of things that most people did not want. They were in effect a minority Government, passing legislation that was not doing any good to anybody, and there were great objections to the guillotine. Some of the greatest speeches were made by Michael Foot defending it and by Conservatives attacking it. Since then, we have carried on with it for some 35 years.

I do not agree with my hon. Friend the Member for Wellingborough (Mr Bone), and today is not necessarily the day to suspend the rule and go on through the night. On this issue as on others, one or two of us, if we speak for 60 minutes, have only just cleared our throats and are perfectly capable of going on for two or three hours. That would not resolve whatever issue the Government are trying to resolve.

What matters most to me is that if the Government are deliberately, and rightly, adding extra debates for the Committee's consideration, there should be injury time. That will not happen all the time, but on this Bill I welcome the fact that the Government have made the change voluntarily and at an early stage of the Committee's proceedings. We are coming up to day two of Committee of the whole House. I praise them for making an early change and recognise it openly.

What worries me is the issue raised by my hon. Friend the Member for Hertsmere (Mr Clappison), who asked, "Is there a possibility that, because of how the programme operates, certain major debates will not take place?" That is what I hope we were addressing in opposition and will not do in government. We should say, for example, "What would a Backbench Business Committee do if it was considering the issues that should be debated?"

I am not concerned about the Speaker's groupings; I am concerned that there should be debates on any issues that most people in the House say should be debated. So I put it to those on both Front Benches, that Back Benchers on both sides of the House expect there to be debates about the issues that we believe matter most. There obviously needs to be room for the particular enthusiasm of one Member, if they can get a relevant amendment accepted and debated, but, on those amendments that are clearly accepted as important to the whole House, let us not reach the point at which, by some chance or design, they are not debated.

3.54 pm

Kelvin Hopkins (Luton North) (Lab): I add my concern to that of other hon. Members over the time allocated for the Committee of the whole House. I suspect that had the Bill been referred to a Committee that was not of the whole House, more time would have been available to discuss the amendments. Given that this is a constitutional Bill of great importance, it is right that it be considered in Committee of the whole House, but we should have at least as much time as would have been given to a Committee not held on the Floor of the House. Given that more people are likely to want to speak in a Committee of the whole House, surely that time should be expanded even further. I therefore echo what other hon. Members have said.

I am one of the Members—perhaps rare beasts now—who regret the introduction of the guillotine and the way in which it has been used in recent years. Time and again we miss out on speaking, are curtailed in what we want to say and cannot speak at the length that we think appropriate, because of the time limits. I have argued on many occasions that we ought to have two-day debates for Second Reading, because it deals with the principle of the Bill. Time and again, large numbers of people want to speak and are not able to. I therefore echo what other hon. Members have said.

3.55 pm

Claire Perry (Devizes) (Con): I enter this debate with some trepidation, because there is the most complicated series of amendments and proposals that I have seen in my short career as a parliamentarian. I will make a couple of points. First, when we are debating critical legislation that sets out for the first time since 1973 how we define our relationship with Europe, I find it astonishing that fewer than 10% of sitting Members are in the House and that the Opposition Benches, in particular, are rather empty. Given that we are debating a shortage of time and a lack of ability for people to be heard, it is extraordinary how few people have bothered to show up.

Secondly, I urge hon. Members from all parts of the House to focus on the fundamentals of the debate, rather than on the time-wasting proposals that the Opposition parties have tried to table. I am still confused about whether the Opposition parties support or oppose the principle of the Bill. I think that perhaps they support the principle, but cannot bring themselves to stand up and say so. I hope that we will have a debate on the fundamentals of the Bill over the next few hours. I therefore hope that we will pass the motion and proceed to the debate.

3.57 pm

Mr Bernard Jenkin (Harwich and North Essex) (Con): I rise briefly to plead that we do not divide the House on this matter, because time is pressing. However, I am prepared to forecast that we will not get beyond the first group of amendments today. The Bill, if about nothing else, is about what might trigger a referendum, and the first group is concerned with that matter. It is extremely likely that we will not discuss much else today, given that that is the heart of the Bill. That suggests that the timetable motion is ill-conceived. Although it is generous of the Government to add an extra day, that does not resolve the problem we will have today, which is that it is most unlikely that we will discuss anything about clauses 2, 3, 4 or 5, the new clauses relating to clauses 1 to 5, or anything else. That is not what was envisaged when we discussed the strengthening of Parliament in the previous Parliament. A great disadvantage of these very curtailed debates on contentious pieces of legislation is that there is an incentive for people to use up the time for the convenience of the Government, rather than to provide a platform for those who actually want to discuss the Bill.

Mr Cash: Does my hon. Friend recall the speech made by Mr Speaker only last week, in which he drew attention to the necessity not only to maintain the sovereignty of Parliament, but to ensure that the Government are held properly to account? That was from Mr Speaker himself—a most unusual, but very important speech. What we may witness today would be in defiance of the principles that he enunciated.

Mr Jenkin: I agree with my hon. Friend. We have yet to find a way of respecting the Government's right to obtain their legislation in reasonable time, subject to the consent of the House, and of reasonably limiting the time spent on debate, while ensuring that all parts of the Bill are debated properly. We do not want to start following the example of the other place, where a tiny minority of Members are brutally filibustering, but we do need to improve the procedures that we have today. It is a sad comment on the state of the House of Commons under this new Government, who purported to believe in something called "new politics", that we are carrying on the old politics implemented by the Labour Government.

3.59 pm

Chris Heaton-Harris (Daventry) (Con): I rise rather sheepishly, because I almost feel partly responsible for the Government adding an extra day. Some of their amendments have taken over from ones that I had previously tabled, so I find them quite important.

I am particularly pleased that the Government have tabled amendments 57 and 58, which are about the European public prosecutor, because they had inadvertently left a gap in the Bill relating to opt-in arrangements under the EU treaties. They are now closing that gap. They have also tabled the important amendment 60, relating to the common foreign and security policy, so I am pleased that we have the extra time for debate.

I understand what hon. Members have said about what will happen later today, but from a personal point of view I have been chasing amendments such as those that I have mentioned for quite some time, to close the gaps in the Bill, and I am very pleased that the Government have paid some attention to what I and other hon. Members have said.

4.1 pm

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The accession of new member states can be fairly insignificant numerically, but there could be an extremely large new member state, with a population probably larger than Germany's. For the House to pass a Bill such as this without having reached the point of discussing the matter would be an abdication of duty. Will the Minister undertake that, should we not reach that point today, he will find time for the House to return to the matter for however long it takes?

4.1 pm

Martin Horwood (Cheltenham) (LD): I will not often rise in sympathy with the hon. Members for Wellingborough (Mr Bone) and for Stone (Mr Cash) during the passage of the Bill, but I share some of the fears that they have expressed. One is that, as the hon. Member for Birmingham, Edgbaston (Ms Stuart) and others have said, some very significant issues might not be reached today, especially in light of how the grouping of the amendments has panned out.

I am obviously not criticising Mr Speaker at all, but he has wisely included a very large number of amendments in the first group, covering three different clauses and various arguments. I suspect that that is likely to lead to a long and convoluted debate. That will almost inevitably take up a large part of our time, so we might not reach issues such as enlargement, which, as the hon. Lady said, could be very significant.

My other fear is that debates such as today's, by their nature, can sometimes be hijacked by what one could unkindly call filibustering. Reference has been made to the shenanigans up the corridor in the other place in recent weeks, which I am afraid are not an enlightening example of how to conduct parliamentary business. If the other place has traditionally conducted itself in a more gentlemanly way, with such things not being allowed to disrupt debate, it has certainly failed that test in recent weeks. I therefore reluctantly accept that there is an argument for having guillotines and knives, to prevent a debate of such importance from being hijacked in that way.

However, I ask the Minister to reassure all of us that, as the hon. Member for Birmingham, Edgbaston said, if significant issues cannot be debated today and are cut off by the guillotine, we will have some opportunity to address them later in the process, at the very least by allowing significant time on Report. I hope that the Minister will welcome debate on enlargement in particular at that time.

4.3 pm

Charlie Elphicke (Dover) (Con): I, too, rise to welcome the fact that the Government have agreed to add a sixth day. The Bill is receiving better consideration than many such Bills, and so it should, because it is an important constitutional Bill.

Notwithstanding that, I have sympathy with my hon. Friend the Member for Wellingborough (Mr Bone), who would like further time to discuss the Bill because of its immense constitutional significance. I personally regret that we will not reach discussion of the ambit of the Parliament Act, because it is right that the House has time to consider what happens in our Parliament, including in another place, and the sort of behaviour that we have witnessed of late, particularly by former members of the Labour Whips Office, who are behaving most disgracefully.

Mr Jenkin: Perhaps my hon. Friend is going on to say this, but I would have thought that he would be disappointed that we will not have time to discuss amendments 48, 49, 50 and 51 on holding an in/out referendum, which he champions. Personally, I do not champion it, but does he not regret that we are most unlikely to be able to discuss those amendments?

Charlie Elphicke: I agree with my hon. Friend. What will we discuss? A wrecking amendment, tabled by the Labour party, which cheated the nation of a referendum in the past.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. If it was a wrecking amendment, it would not have been selected. I remind the hon. Gentleman that amendments are selected with due consideration.

Charlie Elphicke: I defer to you, Mr Deputy Speaker, and apologise for using language that was perhaps too simple. Of course, the amendment could not be a wrecking amendment; it is an amendment that would bring destruction on the Government's intent and purpose in the Bill. I hope that I remain in order with that description.

I agree with my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who makes an important point about the time that is needed to discuss the purpose of referendums and whether we should have a national debate—perhaps a referendum?—on whether to hold an in/out referendum. It seems that we will not have time to discuss that today. I hope that, at some point—perhaps not in the Bill, but sometime—the House will be able to discuss that properly.

Mr Douglas Carswell (Clacton) (Con): Will my hon. Friend share with the House whether his Whip asked him to take part in the debate?

Charlie Elphicke: I should be delighted to share that information with the House. For the record, my Whip did not ask me to take part in the debate; he simply asked me whether I intended to rebel—I think he had some interest in that matter. As my hon. Friend probably realises, when we discuss in/out referendums, one is slightly off-piste in the context of the general approach of both major parties. Nevertheless, the House should have time to discuss the matter at greater length. *[Interruption.]* I will ignore the sedentary chuntering that tempts me to digress from being in order. I recognise that the clock is ticking and I do not want to eat further into the time for debate.

Mr John Spellar (Warley) (Lab): On a point of order, Mr Deputy Speaker. Several Members on the Government Benches have referred to proceedings in another place. Page 435 of "Erskine May" clearly states:

"Members are restrained by the Speaker from commenting upon the proceedings of the House of Lords."

For the guidance, particularly of newer Members on the other side of the House, could you give a ruling on that point?

Mr Deputy Speaker: There should be no criticism of the other House. We can all learn from that.

4.8 pm

Mr Lidington: With the leave of the House, let me reply briefly to some of the main points. I do not want to take up much time.

I found it difficult to take seriously the strictures of the hon. Member for Caerphilly (Mr David) about the Bill's alleged complexity. If there is complexity in the Bill, it flows from that in the Lisbon treaty, which he and his party, when in government, negotiated, supported and rammed through the House.

Members from both sides of the House made important points about the amount of time available. I am grateful for the acknowledgement of the Government's offer of a sixth full day. I point out that, with no statements or urgent questions today, roughly six and a half hours are available for debating the motion and proceedings on the amendments. There is a balance to be struck between time available and Members' self-discipline in the length of their speeches.

On Report, hon. Members on both sides of the House will obviously have the opportunity to table amendments and new clauses to raise subjects that they believe need further debate or that they think have been overlooked and ought to be debated. The hon. Member for Birmingham, Edgbaston (Ms Stuart), who has been in the House since 1997—almost as long as I have—knows well how the rules of order operate and how to draft an amendment to maximise its chances of selection and of being high up in Mr Speaker's groupings on Report. I am sure that Back Benchers on both sides of the House will be happy to take her advice on the canny ways of achieving those objectives.

A number of hon. Members, including the hon. Lady, mentioned the question of accession treaties. It is obviously for the Chair and not for me to determine whether the content of any speech is in order. I simply point out that the first group of amendments includes proposals to remove the exemption conditions altogether from the Bill, but the exemption conditions include an exemption for accession treaties. I invite the House to draw its own conclusions, but I hope that it supports the motion.

Question put and agreed to.

European Union Bill

[2ND ALLOCATED DAY]

[Relevant document: The Fifteenth Report from the European Scrutiny Committee, The EU Bill: Restrictions on Treaties and Decisions relating to the EU, HC 682.]

Further considered in Committee

[MR LINDSAY HOYLE *in the Chair*]

Clause 1

INTERPRETATION OF PART 1

4.12 pm

Mr Wayne David (Caerphilly) (Lab): I beg to move amendment 85, page 2, line 6, at end add—

'(7A) References to "the Committee" are to the European Union Referendum Committee as established by section [European Union Referendum Committee] below.'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 86, in clause 2, page 2, line 10, leave out

'a statement relating to the treaty was'

and insert

'the treaty and a statement relating to it were'.

Amendment 1, page 2, line 13, leave out 'or the exemption condition'.

Amendment 92, page 2, line 16, leave out from 'until' to end of line 22 and insert

'the referendum procedure set out in subsection (2A) below has been completed.

'(2A) The referendum procedure is completed if—

(a) a decision has been taken by either or both Houses of Parliament not to hold a referendum, whether by agreeing with a recommendation from the Committee that a referendum is not required or by disagreeing to a recommendation from the Committee that a referendum is required; or

(b) a referendum has been held throughout the United Kingdom, or where the treaty affects Gibraltar, throughout the United Kingdom and Gibraltar, and a majority of those voting in the referendum are in favour of ratification of the treaty.'.

Amendment 2, page 2, line 23, leave out subsection (3).

Amendment 87, in clause 3, page 2, line 29, leave out

'a statement relating to the decision was'

and insert

'the decision and a statement relating to it were'.

Amendment 67, page 2, line 32, leave out paragraph (c).

Amendment 3, page 2, line 32, leave out

'the exemption condition or the significance condition'.

Amendment 68, page 2, line 34, leave out subsections (2), (3) and (4).

Amendment 93, page 2, line 36, leave out from 'until' to end of line 42 and insert

'the referendum procedure set out in subsection (2A) below has been completed.

'(2A) The referendum procedure is completed if—

(a) a decision has been taken by either or both Houses of Parliament not to hold a referendum, whether by agreeing with a recommendation from the Committee that a referendum is not required or by disagreeing to a recommendation from the Committee that a referendum is required; or

(b) a referendum has been held throughout the United Kingdom, or where the treaty affects Gibraltar, throughout the United Kingdom and Gibraltar, and a majority of those voting in the referendum are in favour of approval of the decision.'.

Amendment 4, page 2, line 43, leave out subsection (3).

Amendment 5, page 3, line 1, leave out subsection (4).

Amendment 64, page 3, line 3, leave out from '4' to 'and' in line 4.

Amendment 65, page 3, line 4, leave out '(1)(i) or (j)' and insert

'(1)(a), (d), (e), (f), (g), (h) (i), (j), (k), (l) or (m)'.

Amendment 66, page 3, line 4, after '(1)', insert '(g), (h)'.

Amendment 88, in clause 4, page 3, line 8, before '(1)' insert—

'(A1) A treaty or Article 48(6) decision which falls within this section shall be subject to the procedure of determination by the Committee and both Houses of Parliament as to whether a referendum is required'.

Amendment 89, in clause 5, page 4, line 10, leave out

'the required statement before Parliament'

and insert

'the treaty and the required statement before the Committee and before Parliament'.

Amendment 90, page 4, line 14, leave out

'the required statement before Parliament'

and insert

'the decision and the required statement before the Committee and before Parliament'.

Amendment 7, page 4, line 17, leave out subsections (3) to (5) and insert—

'(3) The required statement is a statement that there will be a referendum on that treaty.'.

Amendment 91, page 4, line 19, leave out subsections (4) and (5).

Amendment 11, page 4, line 24, at end add—

'(6) If the Minister's opinion is that the effect of that provision in relation to the United Kingdom is not significant the Minister must seek Parliamentary approval for his opinion.

(7) Parliamentary approval is given if—

(a) in each House of Parliament a Minister of the Crown moves a motion that the House approves of the Minister's opinion; and

(b) each House agrees to the motion without amendment.

(8) If the Minister fails to obtain Parliamentary approval for his opinion the significance condition is not met.'.

New clause 9—*European Union Referendum Committee*

'(1) There shall be a Committee, to be known as the European Union Referendum Committee, to examine—

(a) any amendment of the Treaty on the European Union or the Treaty on the Functioning of the European Union, whether by simplified or ordinary revision procedure;

(b) any decision already provided for in those treaties, as set out in Schedule 1 to this Act;

(c) any treaty or Article 48(6) decision as defined in section 4 of this Act; and

(d) any decision as set out in section 6(2) or 6(4) of this Act.

(2) The Committee shall report to Parliament in respect of each such treaty amendment or decision as to—

(a) whether it involves a significant transfer of power or competence, and if so

(b) whether it requires a referendum to be held.

(3) When the Committee has reported its view as to whether or not a referendum is required, a Motion shall be moved in each House of Parliament to give effect to that recommendation.

(4) If both Houses agree to recommend a referendum, a referendum shall be held accordingly.

(5) The Committee shall consist of no more than 19 Members, drawn from both Houses of Parliament, none of whom shall be Ministers of the Crown.

(6) The members of the Committee shall be nominated by the Speaker of the House of Commons and the Lord Speaker of the House of Lords respectively, in accordance with the Standing Orders or Resolutions of their respective Houses, and subject to the approval of their respective Houses.

(7) Members of each House shall be members of the Committee until discharged by their House or if they cease to be a Member of that House or if they become a Minister of the Crown.

(8) The Committee shall elect a Chair from among those of its members who sit in the House of Commons.

(9) The Committee may determine its own procedure, which shall be broadly in line with that followed by Joint Committees of the two Houses.'.

Mr David: The week before last, the Committee enjoyed an excellent debate on the sovereignty clause of the Bill. Perhaps surprisingly, there was a high degree of consensus on the need to ensure that Parliament remains central to our democracy. Indeed, it must be said that even the Government appeared to acknowledge that there was at least a genuine debate on whether Parliament owed its sovereignty to common law or whether sovereignty was a fundamental right. Consequently, we look forward to seeing how the Government rewrite the Bill's explanatory notes to acknowledge that debate.

That makes it all the more surprising that part 1 of the Bill so profoundly departs from the consensus established in the House that Parliament is central to this country's democratic process. The Government do that by proposing that most extensions of EU competence or power, even relatively small ones, should be subject to a referendum if the change has a material impact on the UK's relationship with the EU.

The Government set out in the Bill in mind-numbing detail umpteen scenarios when a referendum might be triggered. The Opposition believe that there is a case for referendums to be held on important constitutional issues. For example, in government, we introduced referendums on devolution in Scotland and Wales, and indeed, there will be a further referendum in Wales on 3 March.

Mrs Anne Main (St Albans) (Con): With reference to the hon. Gentleman's remarks on holding referendums on fundamental matters that affect the UK, does he regret not giving us a vote on the Lisbon treaty?

Mr David: Not at all, because it is pretty obvious to anybody who has given the matter any detailed study that there is a fundamental difference between a proposed constitution on the European Union and the treaty of Lisbon.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I am sorry, but having written the constitution and having read the Lisbon treaty, I think that it is sheer sophistry to go on like this. May I just—

The Chairman: Order. We are not dealing with the Lisbon treaty. Can we please stick to the amendments before us?

Mr David: With all due respect to my hon. Friend, it was not she who wrote the treaty or the constitution; she made a contribution, as did many people.

We support a referendum on the alternative vote system, and we believe that a referendum should be held if ever there is a European constitution or if any Government favoured Britain's joining the single currency. I remind the Committee that Baroness Thatcher declined to hold a referendum on the Single European Act, and that the Foreign Secretary voted against a referendum on the Maastricht treaty when he was in opposition.

Richard Fuller (Bedford) (Con): The issue is that the Labour party promised a referendum and then reneged on it when in office.

Mr David: I will stick to the point. It is really important that Members recognise that there is a fundamental difference between the constitution and the treaty of Lisbon. I am more than happy to explain those differences, with your permission, Mr Hoyle, but I know that you want us to pursue the issue under discussion.

Ms Stuart: On Europe, is not the real lesson that when in government, we do not give referendums, but when in opposition, we ask for them?

Mr David: I do not think that is the case at all. There are certain principles at issue that it is important we consider. One of the things that has marred the debate about Europe is the fact that too much expediency has been demonstrated. We need to talk about principles, and I would argue that an important one is at stake here. We have to make it clear that we are talking about political consistency, of which there is little among Government Members. Only in January last year, an hon. Gentleman said:

"The Conservatives want a referendum on the bulk purchasing of paper clips. That is nonsense. It does not stand up to any serious scrutiny, and I do not believe that if they were in government, they would put forward this proposal."—[*Official Report*, 19 January 2010; Vol. 504, c. 238.]

I am tempted to have a competition to see whether anyone knows who might have said that, but I will just tell the Committee instead: yes, it was a Liberal Democrat, and yes it was the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey)—so much for consistency; so much for principles.

One of our main concerns about the Bill is the proposal that referendums could be held on highly technical issues that are not of constitutional significance. I am not suggesting that a future Labour Government would want to change the European treaty, but are the

[Mr David]

Government seriously suggesting that we should have a referendum on changing the voting system in the Council of Ministers on the environment from the special legislative procedure to the ordinary legislative procedure?

Claire Perry (Devizes) (Con): I appreciate the point that the hon. Gentleman is trying to make, which is that there is a lot of complexity and a precise attempt to define the conditions under which referendums would be held, but surely it is better to ask the British people to make up their minds than to wriggle out of one fundamental promise on the whole constitutional question of whether we should be signed up to the Lisbon treaty. My constituents would far rather have the opportunity to vote on these things than have 13 years of broken promises.

Mr David: With all due respect to the hon. Lady, it was her party that reneged on the commitment to have a referendum on the Lisbon treaty. Government Members could have had a referendum had the Government kept their promise, but it was they who decided not to have one despite their commitment to do so.

Charlie Elphicke (Dover) (Con): The hon. Gentleman will forgive me, but my recollection of the history is that the treaty was ratified and then it became impossible to have a referendum on it. Would new clause 9 not enable a Government to make a promise at election time to hold a referendum and then wriggle out of it under the cover of some committee, as the previous Labour Government did?

Mr David: This party does not make promises which it breaks. *[Laughter.]* I would point out to Government Members that, as I recall, there was a clear commitment on the Lisbon treaty. The hon. Member for Devizes (Claire Perry) cannot get out of that by saying, "Well, it was already endorsed. It was ratified. We couldn't do anything about it," because they could have done. If the Conservatives had wanted a referendum on a treaty change, they could have had one. It is political will that this Government lacked.

Although I am not suggesting that a future Labour Government would want to change the Lisbon treaty, are this Government serious about introducing some of the changes that they claim they want to introduce? Are they seriously suggesting that we should have a referendum on the voting system for introducing a European patent, for example? Are they seriously suggesting that we would have a referendum on how judges are appointed to the European Court? [HON. MEMBERS: "Yes."] It seems that some Members are quite happy to have referendums, even on the proverbial paper clips. But seriously, the place to make a decision on the merits of any potential changes that are not of constitutional significance is in Parliament.

Jacob Rees-Mogg (North East Somerset) (Con): Is it not in fact remarkably important to have a detailed Bill that sets out all the conditions? The habit of Europe has been to accrete power by stealth; therefore, when added together, things that seem to be minor turn out to be creating a European Government, about which the British people should have the choice.

Mr David: There are two problems with that intervention. The first concerns the issue of detail. We have already seen the Government getting themselves into a right knot, bringing forward new amendments to plug some of the gaps that they have left. My guess is that, even at the end of the day, if this Bill goes through, there will still be gaps. The other issue concerns constitutional creep, and I will come to that point later, because there are exceptions in the Bill, which I will touch on.

The role of Parliament should be absolutely central to the issue of Europe—and, indeed, to all our deliberations. It is Parliament that should formally and properly consider such issues; it is Parliament that should devote the time to focused debates and deliberations on the pros and cons of any change; and it is Parliament that is accountable to the people. Hopefully, before too long there will be a House of Lords that is wholly or partly elected, and then both Houses will be answerable to the people for their actions. That is surely the essence of representative democracy. Indeed, in recent times the most authoritative inquiry into the role of referendums has come from the Lords Select Committee on the Constitution, whose report was published last year. After hearing from many witnesses, the Committee concluded:

"The balance of the evidence that we have heard leads us to the conclusion that there are significant drawbacks to the use of referendums."

It continued:

"Notwithstanding our view that there are significant drawbacks to the use of referendums, we acknowledge arguments that, if referendums are to be used, they are most appropriately used in relation to fundamental constitutional issues."

That report is important and should be acknowledged. However, it is not just the opinion that that House expressed that is significant; the evidence that was submitted is also important. In an important appendix to the report, it was pointed out that the distinguished commentators David Butler and Austin Ranney had noted that

"while the vast majority of democracies"

throughout the world

"have held referendums, only a few have institutionalised them, and used them in anything other than an ad hoc fashion. The vast majority of referendums are held at founding moments: decisions about joining a state or federation, accepting or rejecting new constitutions, or making constitutional revisions."

If the Bill reaches the statute book in its present form, not only will it be at odds with common sense; it will also be out of step with most of the world's democratic states. And before any Members think that the Lords Constitution Committee was packed with Labour Peers, I would simply point out that they were in a minority on the Committee.

In the second excellent report produced by the European Scrutiny Committee, chaired by the hon. Member for Stone (Mr Cash), one of the key witnesses, Professor Simon Hix, lucidly made the case for the limited, rather than widespread, use of referendums. I would not agree with everything that Professor Hix argued, but he was absolutely right when he said:

"Referendums are a legitimate tool, but often they are not regarded as legitimate unless they are on major constitutional questions. In a democracy we believe that ultimately sovereignty resides with the people, so it is legitimate that referendums should be used for major constitutional changes."

Professor Hix was correct in his argument about major constitutional issues. He was also correct to question the wisdom and legitimacy of referendums on much smaller, technical issues.

Graham Stringer (Blackley and Broughton) (Lab): I understand the logic of my hon. Friend's argument, but, given the profound changes since 1975 in the prospectus set out by members of all three parties in the House, is there not now a thirst among the public for a referendum, either on whether we should be in or out of the European Union or on some of the other issues of major constitutional significance—from the Single European Act to the Lisbon treaty—on which they have not been consulted?

Mr David: I have to say that I have not had one constituent come into any of my surgeries since the last election—or, indeed, during the last Parliament—to raise this issue with me. People are concerned about their jobs, their livelihoods, and, under this Government, their falling standards of living. Those are the issues that we should be focusing on. Nevertheless, we are addressing the issue before us today, the European Union Bill.

George Freeman (Mid Norfolk) (Con): On the subject of what we were sent here to do, I can assure the hon. Gentleman that the people of Mid Norfolk sent me here to speak up against their powers being given away without their consent. He quoted the evidence to the European Scrutiny Committee. In written evidence, Professor Philip Allott, professor emeritus of international public law at Cambridge, said:

"The Bill has a whiff of revolution about it. It is a Boston Tea Party gesture against *creeping integration*...So far as I know, no other member state has anything remotely approaching the degree of parliamentary involvement which the Bill would create".

The Bill might not be perfect, and it might not be the ideal mechanism, but does the hon. Gentleman acknowledge that the Government are trying to ensure that the creeping integration that my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) referred to earlier is prevented in future?

Mr David: I have read all the evidence submitted to the Committee, and the significant point about that particular quote was the use of the word "gesture". The Bill is a gesture, and I will say more about that later. It is a gesture to placate hostility to the European Union among Government Back Benchers, but it is not a serious, considered piece of legislation.

Mr William Cash (Stone) (Con): The hon. Gentleman has referred to Professor Hix's evidence to the European Scrutiny Committee. Will he note that the professor also said that previous EU amending treaties—Maastricht under a Conservative Government and Amsterdam and Nice under a Labour Government, as well as the Lisbon treaty—should all have been subjected to referendums? If the conditions of the Maastricht referendum campaign, which I founded and which had about 750,000 signatures, had been implemented by the Government at the time—let alone those for Amsterdam and Nice—is it not right to say that we would not be sitting here today discussing this nonsense?

Mr David: I am aware of all Professor Hix's comments, and I was careful to say earlier that I did not agree with all his remarks. The point remains, however, that he is fundamentally opposed to the idea of having a multiplicity of referendums, for the reasons that he outlined to the Committee.

Charlie Elphicke: The hon. Gentleman will correct me if I am wrong, but I believe that Professor Hix also went on to say:

"I think there should have been a referendum on Maastricht, on Amsterdam, on Nice...on the Lisbon treaty".

That is surely significant. The Bill is all about ensuring that, having been cheated of referendums on those treaties in the past, we can now have referendums on other matters, enabling the House to give greater consideration to them before passing away powers to Europe. The committee proposed in the hon. Gentleman's new clause 9 would not achieve that.

Mr David: With all due respect, I must point out that the hon. Gentleman has made exactly the same point that the hon. Member for Stone (Mr Cash) has just made. I therefore give him the same answer: I was careful to say earlier that I did not agree with all of Professor Hix's comments, but the central thesis that he presented to the European Scrutiny Committee was that there should be referendums on major constitutional issues, not on the minutiae of legislation as is proposed in the Bill, and this Bill is what we are now debating.

4.30 pm

It is important for us to recognise that having a proper national debate on technical issues presents a real problem. If this were to happen, it might mean that debates focused on other issues and voters might not vote on the question on the ballot paper. That is perhaps a fundamental problem with all referendums, but it is certainly the case with referendums on issues that are highly technical and very specific. A second problem is that such referendums might attract only very low turnouts. For many people, a shift from unanimity to qualified majority voting in the Council of Ministers on the issue of permanent structural co-operation might not be a huge motivator to come out and vote.

Mrs Main: I cannot believe that the hon. Gentleman really means to imply that the voting public are so dim that they cannot understand the question asked of them. I seriously hope that that is not what he is saying.

Mr David: The hon. Lady should realise that all Members have had enormous difficulty understanding this Bill. Can she, hand on heart, say that she understands every dot and comma of the Bill before us? Please answer.

Mrs Main: With the greatest respect, I think the hon. Gentleman is dodging the question. I asked him whether he felt that the voting public were too dim to understand the question put on a referendum, as he seemed to imply that they were.

Mr David: What I am saying is that if some of the questions implied by the Bill were put, no reasonable human being, including Members in this House, would

[Mr David]

understand what on earth the debate was all about. Nobody would. Debating how many angels can stand on the head of a pin might be okay for the middle ages, but it is unlikely to enthuse people in 21st century Britain.

Martin Horwood (Cheltenham) (LD): I may well be more in sympathy with the hon. Gentleman's position than some of my colleagues on the Government side, but is he not aware—I appreciate, as he said, that he might have some difficulty understanding all of the Bill—of the "significance" provision in clause 3(4)(b)? Surely that is designed to guard precisely against the possibility of having referendums on minutiae.

Mr David: It is interesting to hear the hon. Gentleman refer to the exceptional clause in that way. I will come on to the very interesting point that he has raised, which I am sure would not be shared by many Conservative Back Benchers.

Let me pursue my argument. These two factors—the lack of proper debate that having a referendum on a small technical issue would mean, and the low turnout—might lead to a questioning of any referendum result. For example, I cite Professor Hix again in his evidence to the European Scrutiny Committee, when he referred to the example of Texas. I heard a Government Member earlier making a sedentary comment about the USA, so let us look at this example from Texas. It has referendums in local communities on whether smoking or drinking should be banned. I am sure that everybody understands the questions, but they have a referendum on the same issue every year. Why? It is because people keep on questioning the validity of every year's result because the turnout is so low.

The Bill implies that this Parliament can bind future Parliaments, but we all know that this cannot be done constitutionally. It is an interesting point, as the Government have made it clear that they do not intend to test the legislation. Perhaps one of their amendments might do so, but generally speaking, they do not intend to use this legislation—it is intended for something in the future. I would argue very strongly that there is a constitutional question mark over that.

I also believe that the Bill weakens the role of Parliament because it obliges Parliament to pass on much of its decision-making capacity. Yes, it is true that the Bill gives additional responsibilities to Parliament in some areas, which we will debate at a later stage. The Bill's most important impact, however, will be to weaken the role of Parliament. I would even suggest that the Bill's whole approach is crudely populist and fraught with practical problems and constitutional risks.

Kwasi Kwarteng (Spelthorne) (Con): The hon. Gentleman's comments seem to be a diatribe against all referendums anywhere and are not specific to the Bill. Of course a referendum is populist; it is the most direct form of gauging the popular will. The approach of his argument seems a complete waste of time.

Mr David: That is completely untrue. My argument is that there is a clear distinction between important constitutional issues and detailed minutiae. We can argue about the constitutional issues, but there is a big difference between them and a referendum on a raft of detailed minutiae. That is the big difference, which the Bill fails to acknowledge. The Bill is about having referendums on not the big issues, but the small, relatively unimportant ones.

Ms Gisela Stuart: It might come as a great relief to my hon. Friend to learn that I totally agree with him on this occasion. The Bill would weaken Parliament. Does he not find it extraordinary that a Bill that is meant to strengthen Parliament has in clause 5 a provision whereby, if in doubt, the matter will be given to the courts, which we cannot even remove in the way we can a Government, so it is an abdication?

Mr David: I thank my hon. Friend for that intervention; she makes a good point. However, the matter might not be quite as she has said. I will address that point later in my contribution, if I may.

Amendment 85 seeks to reaffirm the role of Parliament by giving it the power to consider and decide whether a proposed European change is significant enough to hold a referendum on. A special committee of both Houses—we call it the referendum committee—would be established, and it would consider the fine detail of the Government's proposal. A recommendation would then go to both Houses, and if both Houses agreed that the change was important enough to warrant a referendum, a referendum would be held.

Stephen Gilbert (St Austell and Newquay) (LD): Will the hon. Gentleman tell the Committee what would happen if one of the Houses of Parliament took the view that a referendum should take place, and the other took the view that it should not? Is that not an inherent contradiction in the Opposition amendments?

Mr David: It is important that Parliament speaks with one voice, so both Houses would, under our proposal, have to give a positive vote in favour.

Stephen Gilbert: I understand the hon. Gentleman's purpose, but it is conceivable that the House of Commons would reach one view on whether a referendum is required, and the House of Lords would reach another view. How do the Opposition intend to settle that discrepancy?

Mr David: Before too long, we hope, both Chambers would be elected. Therefore, we believe that it is important for Parliament to speak with one voice. Under our amendment, Parliament would be centre-stage in the whole process. Parliament, and Parliament alone, would decide whether a referendum ought to be held, which is far preferable to referendums being decided according to abstract criteria under this ill-conceived Bill. It is also far better than allowing the Government to make the decision.

Claire Perry: I am intrigued to know whether the workings of the proposed committee would have come into force when the previous Government decided, without, I believe, a debate on the Floor of the House, that the Lisbon treaty was not the same thing as the EU constitutional treaty and therefore could be signed. At that point, would his committee have intervened, given

the definitional question of whether it was an EU constitutional treaty, as Open Europe and most of the country believe that it was?

Mr David: I have argued consistently that that was not the case, but the new Committee, drawn from both Houses, would consider all changes that occur inside the European Union and that have a direct impact on the United Kingdom. We can discuss what is significant and what is not, but my point is that the proposed Committee would come to a considered view on what was important and what should warrant a referendum.

I emphasise this point because we are concerned about the extent to which the Government will have discretion to decide what goes to a referendum. We are concerned because we fear that the Government's rhetoric does not match the reality of their Bill. I am sure that the Minister is absolutely sincere in his intention to give the electorate the maximum ability to vote on a range of European minutiae, but let us just suppose that the Bill is smoke and mirrors. The nature of the proposals before us could turn out to be more apparent than real.

By common agreement, the Bill is one of the most complicated pieces of legislation to come before the House of Commons for many years. As we all know, in legislation the devil is always in the detail, and this Bill contains one heck of a lot of detail. Some Members, including those on the European Scrutiny Committee, have suggested that the Government may be looking for wriggle room. In particular, there has been reference to clause 3(4), the so-called "significance" subsection, which allows the Government to avoid a referendum if they believe that certain EU sanctions or obligations are insignificant. If I were a Government Member, I should consider that very ominous, as little detail is provided.

The Minister for Europe (Mr David Lidington): Given the concerns that the hon. Gentleman has just expressed, will he please explain why the Opposition amendments, and in particular new clause 9, would extend the significance test so that the Committee that he proposes would consider whether a decision to join the euro, or a decision to scrap British border controls, was significant enough to warrant a referendum at all?

Mr David: The answer is simple. I have faith in Parliament; I do not have faith in this Government. That is the issue that is at stake. I think that many Members have twigged that the subsection is very significant.

Mr Stephen Dorrell (Charnwood) (Con): Will the hon. Gentleman address the question asked by my right hon. Friend the Minister a bit more seriously? New clause 9(2) makes it clear that the Opposition are suggesting that there could be significant transfers of power that did not merit a referendum. Will the hon. Gentleman give us an example of a significant transfer of power that he thinks should not merit a referendum? The principle is there in his new clause.

Mr David: There is a fundamental point here. We are not second-guessing Parliament's view. These are essentially subjective statements. I think it wrong for the Government to pretend that there can be predetermined formulas that will suit any eventuality. They know in their heart of hearts that that is not possible in the real world, which is why they have come up with the "significance" subsection.

Mr Dorrell: Will the hon. Gentleman give way?

Mr David: I will give way once more, but then I must move on.

Mr Dorrell: I am grateful to the hon. Gentleman, who is being very patient. However, he is not second-guessing the Government; he is proposing an amendment to the House of Commons. He is proposing that there should be a dual key before a referendum is held. First, a proposal should be significant; secondly, his committee should recommend a referendum. That implies the possibility of a significant transfer of power that would not require a referendum. It is his proposal; I am simply asking him to explain it to the Committee.

Mr David: What I am saying is that it depends on how "significance" is defined. I propose that, rather than our accepting a formula stating what is and what is not significant—which, as the Government themselves recognise, would fall at the first hurdle—responsibility for deciding what is important should be in the hands of parliamentarians. That would mean a transfer of decision-making power from the Executive to Parliament, of which we are in favour.

Ms Gisela Stuart: In our system the Government are drawn from the largest party in Parliament, and our Committees have a tendency to reflect the composition of Parliament. Would my hon. Friend's committee also have an inbuilt Government majority?

4.45 pm

Mr David: That would be for the House to decide, which is why this is important. We are talking not simply about the Commons, but the Lords too. We must recognise the need to go beyond crude party politics, but this Bill does not do so.

Several hon. Members *rose—*

Mr David: I must make progress, because other Members will want to speak in this debate.

Hywel Williams (Arfon) (PC): Will the hon. Gentleman give way on that point?

Mr David: No, I have made my decision.

I have referred to the significance provision but, as if that were not enough, the Bill also contains the exemption condition. If the significance provision is the smoke, the exemption condition is surely the mirrors. With a striking lack of clarity, clause 4(4) refers to "the codification of practice"—one hon. Member mentioned that earlier. That could lead to a significant extension of competences by European Union institutions, yet the Bill does not provide for a referendum on such matters.

Clause 4(4) then stipulates that changes that apply

"to member States other than the United Kingdom"

should not attract a referendum. That may appear reasonable but, given that this country is an integral part of a single European market, it is impossible to say

[Mr David]

with any degree of certainty that anything happening in the rest of the European Union would not have an important impact on this country.

In addition to all that is the most amazing exemption. In a Bill that claims to be about giving the electorate the ability to make decisions on important changes affecting this country, the

"accession of a new member State"

is expressly excluded in that regard; accession will not trigger a referendum. Where is the logic in saying that we can have a referendum on whether or not a voting system should be changed for the appointment of judges, but not on whether Turkey joins the European Union? Does the Minister seriously suggest that Turkey joining the European Union would be of no consequence? Does he seriously believe that the membership of Turkey, a country of more than 70 million people, will not affect the United Kingdom's vote in the Council of Ministers? The Minister is a nice chap, but surely he cannot honestly believe that Turkey's membership will not have a significant impact on Britain's role in the European Union?

Martin Horwood: I understand the point that the hon. Gentleman is making, but surely the issue under discussion is the transfer of power to Europe and that transfer triggering a referendum. What powers does he think would be transferred from the British to the European level in the event of Turkey joining the European Union?

Mr David: The ultimate decision-making body in the European Union is the Council of Ministers, where, broadly speaking, votes are exercised according to the size of a country relative to other countries. I am suggesting that if a large country such as Turkey joins the European Union, the influence of the United Kingdom will inevitably diminish—that is absolutely simple and straightforward. Given the logic of the Government's argument for this Bill, I find it incredible that that circumstance is painfully excluded.

Chris Heaton-Harris (Daventry) (Con): I thank the hon. Gentleman for his wholehearted support for the amendment that I tabled on this issue, which, alas, we are not going to get to later this evening. Are we not assuming that Turkey would want to join the European Union? Given the direction in which its economy is going and given that it is already a member of the customs union, it would perhaps be very wise of Turkey to take a step back and have a look at where it is going. I was wondering whether this approach is a complete change in Labour party policy on this area, and it would be fascinating to know whether the party is for or against Turkish accession. Has the diminution of powers at the Council, whereby the previous Government gave away so many powers in different qualified majority voting circumstances that it sends shudders down the spine, led to Labour Members beginning to tighten up and see that we really should not have given away some of these powers?

Mr David: Perhaps I should not have given way on that point. I want to go on to make it absolutely clear that the Opposition would like to see Turkey join the European Union. There are a host of positive reasons for that to happen. Our position on the European Union and Turkey's membership has not changed, but I cannot understand how the Government can say on the one hand that they believe in holding referendums on EU changes that affect the UK and on the other that they are against holding a referendum on such a huge issue of great importance to this country. The Government cannot have their cake and eat it.

Mr Dorrell: May I bring the hon. Gentleman back to the subject of his amendment? Does it follow from what he is now arguing that if the committee existed he would anticipate that a proposal that Turkey should join the European Union would constitute a significant transfer of power or competence? Does he think that in those circumstances, if the committee reached that conclusion, the decision would require a referendum to be held?

Mr David: It is not for me or anyone else in the debate to say what the committee should or should not decide. I am saying that the Bill expressly excludes a referendum on Turkey's accession, irrespective of whether it is considered important or not, as a matter of principle. The Bill says that there will not be a referendum on Turkey's accession no matter how important it is. That is illogical.

Kwasi Kwarteng: The simple question that Government Members wish to ask the hon. Gentleman is whether, under his committee, the proposed referendum on Turkish membership would take place. It is incumbent on him to explain how the proposal that his party has made will work in practice. That is what we are trying to get to.

Mr David: Who knows who will be on the committee? Who knows what opinions will be expressed? Who knows on what terms Turkey will join the EU, if it ever does join? The big difference is that we are suggesting that there should be proper, open-minded consideration. We are against a closed book on the issue, which is what this Bill suggests.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Mr David: For the final time.

Kwasi Kwarteng: I am reminded of a constituent of mine going to a doctor who gave her some very powerful medicine. When she drank the medicine, she asked, "What will happen to me?" The doctor gave her a reason, but the hon. Gentleman's answer reminds me of the doctor saying, "I don't know what will happen to you if you drink this medicine. I do not know what condition you will be in after you have drunk the medicine. I cannot possibly tell you how it will work out." That seems analogous to the hon. Gentleman's position.

Mr David: I do not think that it is.

Members have asked about our rationale in tabling the amendment. I believe that we have explained it logically and systematically, but I ask the Minister: what is the Government's rationale in specifically excluding a referendum on accession? Will the Government respond to that? What is the rationale? This is a debate but there

is silence from Government Front Benchers—I can only conclude that there is no rationale. There is not, is there?

The situation is quite simple. The Government want Turkey to join the European Union. They consider that to be of tremendous foreign policy importance and they will not allow a referendum to get in the way. That is the truth and they should accept it.

Martin Horwood: First, I apologise for saying that I was in sympathy with the drift of the hon. Gentleman's argument. I am certainly not now. I am very puzzled. A minute ago, he was arguing that we should be wary of having too many referendums. He now seems to be arguing for another one. Does he want more or fewer referendums?

Mr David: Once again, the hon. Gentleman is not following the debate very closely. What we are saying is that these issues should be considered—watch my lips—carefully by a special committee drawn of both Houses. What we are against is a predetermined conclusion that, irrespective of the circumstances, there should not be a referendum on Turkish accession. Although I challenged the Minister to explain the rationale, he declined to do so. I am sure the Committee will draw its own conclusion.

Mr Dorrell: May I ask the hon. Gentleman a simple question? Is he in favour of a referendum on Turkey's accession to the European Union?

Mr David: In terms of this debate, I believe it is important for the special committee to consider the pros and cons.

Several hon. Members *rose—*

Mr David: No. I will move on. It is important that we realise that as well as the significance provision, the exception provision and the specific exclusion of a referendum on accession of any kind, our good friend the explanatory notes make matters worse and add to the obfuscation of the Bill.

I shall quote from the explanatory notes. Although they are wholly inaccurate and unsatisfactory, they are of some significance. They state that the so-called list in clause 4(4) is "illustrative rather than exclusive," and they continue:

"In other words, there may be other types of treaty change which do not transfer competence or power from the UK to the EU and therefore do not trigger a referendum."

What are the other types of treaty change? Has anyone got any ideas? Has the Foreign Office been rubbing its crystal ball? It is not good enough. There should be a clear indication of what the other types of treaty change are.

Mr Cash: The shadow Minister referred earlier to the meaning of the word "significance", and he has just mentioned it again. Is he aware that the "Oxford Dictionary" defines "significance" as

"having a particular meaning; indicative of something",

and goes on to give as an example,

"in times of stress her dreams seemed to her especially significant".

Does he know something we don't?

Mr David: I would not claim that for one moment. I had better move on.

If I am bemused by the Government's exceptions, I am intrigued by their apparent advocacy of judicial reviews as a safeguard for a Government decision not to hold a referendum.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Mr David: No, not yet.

When I first read the Bill, I was worried about this complicated piece of legislation, compounded by the lack of clarity about the meaning of "power" as opposed to "competence". I was concerned that it was a potential paradise for lawyers. As I am not an enthusiast for judicial activism, that worried me. I was also worried by the comments of the Foreign Secretary in the Second Reading debate.

Then I delved deeply into the how and why of judicial reviews, and in particular the circumstances in which they are held and the criteria that they examine. The House of Commons Library, as always, provided excellent objective information, and with forensic precision the European Scrutiny Committee carefully examined whether, in the case of the Bill, judicial reviews are likely.

Kwasi Kwarteng: I shall try again. In the context of the Bill, does the hon. Gentleman believe there should be a referendum on Turkish accession to the EU?

Mr David: I was talking about judicial reviews. I cannot see how that fits into judicial reviews. With all due respect, I know the hon. Gentleman is a new Member, but he should follow the debate.

Charlie Elphicke: Will the hon. Gentleman give way?

5 pm

Mr David: No, I will not give way.

I asked the House of Commons Library whether a judicial review was likely. The European Scrutiny Committee's conclusion was that

"re-course to Judicial Reviews is a more illusory safeguard than the Explanatory Notes imply."

That is important. Surely it would be sensible for the Government to set out clear criteria for reviewing the reasonableness of a Minister's decisions. More importantly, the European Scrutiny Committee report tells us that the courts have already ruled that decisions by Government on whether to hold referendums are political decisions and that the courts have therefore been reluctant to get involved.

That was borne out by the Wheeler case in 2008, in which the divisional court was asked to review the previous Government's decision not to hold a referendum on the Lisbon treaty. It concluded that the issue lay

"so deep in the macro-political field that the Court should not enter the relevant area at all".

If that was the case in the past, it is certain to be the case in the future.

Stephen Phillips (Sleaford and North Hykeham) (Con): Is not the distinction that the Bill envisages that, were a Minister to decide that something was not of significance,

[Stephen Phillips]

even though it was of significance, that could be reviewed by the courts in a judicial review? Surely the hon. Gentleman would agree that it is those provisions in the Bill that create the difference and distinguish the Wheeler case and that it is for that reason that the explanatory notes are to at least some extent correct.

Mr David: Part of the problem, as was mentioned earlier, is that we are talking about a Government making subjective decisions, and the courts have ultimately said that such decisions are political. Given the lack of clarity and the level of obfuscation in the Bill, my contention is that the courts are likely to come to exactly the same conclusion in future.

Graham Stringer: I share my hon. Friend's worry about judicial review and the interference of the courts in what should be the business of the House. Given that, does he intend to support amendment 11, tabled by some of our hon. Friends, because it would get over that point?

Mr David: The Committee will have to wait to see how we will decide to vote.

I should like to finish the point about judicial reviews. Why do the explanatory notes refer to the so-called safeguard of judicial review on no fewer than four occasions? The reason is obvious: it is an attempt by the Government to give the wrong impression. It is yet another example of smoke and mirrors. The Minister has already promised to amend the woefully inadequate explanatory notes in one respect, but I urge him to rewrite them with regard to judicial reviews.

Neil Carmichael (Stroud) (Con): On the significance test, why has the shadow Minister skipped over the idea that anything that was judged to be significant would end up being a matter for an Act of Parliament anyway?

Mr David: We have not skipped over the issue at all. While we recognise that some people might have a different view on what is significant and important, we suggest that rather than subjectively expressing a view on what is significant, it should be for a purposeful and deliberative forum representing both sides of the House to come to an objective decision on what is of significance, according to the priorities of its members, because they are accountable directly to the people.

Neil Carmichael: Is that where the hon. Gentleman's proposed committee would ride to the rescue and perhaps solve the problem?

Mr David: The important point to stress is that it would not be our committee, but Parliament's committee. We are not saying that it should be a partisan body; its membership should be drawn from all parties in this House and from the other House. To allow the Executive simply to make their own decisions on what is or is not important and on what should or should not have a referendum is to undermine the sovereignty of Parliament.

Jacob Rees-Mogg: There is a slight contradiction. The hon. Gentleman is worried on the one hand about judicial activism and Parliament giving away its sovereignty, and on the other that the judicial review will not be operative anyway. It cannot really be both ways around. He also says that the committee will come to its decision, which will be voted on. Is he promising that when the vote takes place neither House will be whipped, so it will be genuinely independent, or is it just going to be part of the great party machine?

Mr David: On judicial activism, I read the explanatory notes, and they gave me the impression that I should not worry if the Government decide not to have a referendum, because there will be the ultimate safeguard of judicial reviews. The notes made that point not once or twice, but four times, and many Members said, "Fair enough; we will have an opportunity to challenge a decision in the courts because we believe that right is on our side and the strength of our argument is self-evident." That opportunity does not really exist, however, because all the evidence suggests that all the Government are proposing, as the European Scrutiny Committee concludes in its report, is an illusory safeguard. At the end of the day, the Executive will decide in many, many areas whether there will be a referendum.

Mr Dorrell: The hon. Gentleman cannot get away with that. Some of my hon. Friends are concerned, as he appeared to be, about the threat of judicial activism, but as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) says, if the judges are not going to engage in the issue, it will be a matter for the House of Commons, not for the Executive. The Executive make a recommendation; it is the House of Commons that decides.

Mr David: And I want the House to have more influence and power; I want clause 18 made real. I believe in the sovereignty of Parliament, but the Bill undermines that in pursuit of weak-kneed, ill thought-out populism.

Mr Dorrell: Will the hon. Gentleman give way?

Mr David: No, because other Members want to contribute to the debate.

In conclusion, this tortuous Bill is problematic in the extreme. This part of the Bill in particular undermines the centrality of Parliament in Britain's democracy. The convoluted clauses setting out when a referendum will be held are not only complex but contradictory; the significance and exemption clauses place a question mark over the Government's true intentions; and the false impression given in the explanatory notes about judicial reviews is truly reprehensible.

We have tabled amendments that would significantly alter and, we believe, improve this ham-fisted Bill. Central to our main amendment is a belief that Parliament should be at the very heart of our democracy, and such an approach would ensure that the long-standing principles of representative parliamentary democracy were truly upheld. Without the amendment, this part of the Bill is at best a ragbag of half-baked inconsistencies and at worst a recipe for constitutional chaos.

Chris Heaton-Harris: Before I make the couple of points that I want to make, I suggest to the hon. Member for Caerphilly (Mr David), as a Welsh Member, that referendums are quite important to people, that

people understand simple and basic details and that they can understand, within the questions set, technical and important points. Democracy evolves, it always has done and it always will do, and through the Bill we suggest that referendums are a solid and sensible way forward. We trust the people who elected us in the first place to take a view, if asked, on the issues that the legislation raises.

Christopher Pincher (Tamworth) (Con): Does my hon. Friend know that the most recent referendum in Switzerland, a country renowned for holding referendums on technical and specific issues, had a turnout of 58%—a very high turnout, and probably somewhat higher than the vote many Labour MPs representing Welsh seats received—demonstrating that people will vote when they have to?

Chris Heaton-Harris: I thank my hon. Friend, because every time he stands up, he educates me with a fact that I do not know.

The Labour proposals, in particular amendment 92, seek to redefine the referendum condition for UK ratification of amending treaties. As I will spell out in a couple of minutes, the proposed referendum committee would have to ask both Houses for agreement. As my hon. Friend the Member for St Austell and Newquay (Stephen Gilbert) said, there must be agreement by both Houses before there is a referendum. The amendments are anti-referendum, anti-people and anti-common sense.

Currently, the referendum condition is that an Act approving an amending treaty must provide that its approval will not be effective until the ratification of the treaty has been supported in a referendum. Under amendment 92, the referendum condition would require an Act approving a treaty to provide that its approval will not come into force until the whole procedure has been completed. If the hon. Member for Caerphilly is to be believed, that procedure would involve the European Union referendum committee delivering a recommendation on whether a referendum should be held, both Houses of Parliament opposing or agreeing to the holding of a referendum, and a majority being in favour of ratification in a referendum on the treaty. The Bill's main alternative, which is the exemption condition for UK ratification of amending treaties, would remain intact. That means that an Act approving an amending treaty could state simply that the treaty did not fall within clause 4—the definition of a transfer of competence or power—and a referendum would not be held.

Essentially, the hon. Member for Caerphilly is selling us a sop. There would be a whole procedure to go through, but a clause that says that there might not be a referendum would not be amended. Amendment 92 is not clear. It is probable that the redefined referendum condition would be met if an approving Act required a referendum to be held on the amending treaty, and if that produced a supportive result, without the EU referendum committee having made a recommendation on whether a referendum should be held. By seeking to amend some parts of the Bill and to leave other parts standing, the hon. Gentleman is confusing the point. I suspect that that is a deliberate ploy, because I am not convinced that the Labour party is willing to trust the people with decisions about significant moves in Europe. I am not convinced that many hon. Members understand the significance of the amendments.

Amendment 88 suggests that the intention behind amendment 92—both were tabled by Labour Front Benchers—is that no referendum should be held unless the European Union referendum committee has delivered an opinion on whether there should be a free public vote. Amendment 88 makes it clear that all amending treaties or article 48(6) decisions, which simplify provisions, that fall under clause 4 must be referred to the procedure involving the EU referendum committee and both Houses to determine whether a referendum is required. In other words, even treaties or article 48(6) decisions that are deemed to fall under clause 4, which require a referendum under the Bill, would be exempted from a referendum under the Opposition proposals. Again, that would take away the British people's chance to have a say in these important areas.

New clause 9 would establish the referendum committee and the procedure for deciding on referendums on treaties and certain decisions, including article 48(6) decisions. It would report to Parliament in all cases on whether an amending treaty or relevant EU decision

"involves a significant transfer of power or competence, and if so...whether it requires a referendum to be held."

In other words, only if the Committee judged there to be a significant transfer of competence or power would it provide an opinion to Parliament on whether the referendum should be held. For all other decisions, it would not have to report to Parliament. That is a recipe for keeping decisions on which the British people might want a say behind closed doors in this place, rather than for adding more transparency.

Mr David: Why does the hon. Gentleman assume that the meetings would be in camera? They would not; they would be open and public.

5.15 pm

Chris Heaton-Harris: That is not what is contained in the hon. Gentleman's amendment. Perhaps we can have this conversation elsewhere at a later date, because I do not wish to take up the Committee's time, but the Labour amendments would confuse the situation. Rather than open up the chance of our having referendums, they would close it down. I would like to think that we will not have to vote on amendment 85, but I fear that we probably will.

I wish to talk about the significance condition in the Bill, and about amendment 11, tabled by my hon. Friend the Member for Hertsmere (Mr Clappison)—an important amendment on which we should divide. The British people have given up on politicians and political parties a bit when it comes to Europe. They elect representatives to this place on party platforms that do not necessarily reflect their views on Europe, because matters European do not stack up in their priorities at a general election. People make decisions based on reforms to the health service, education, defence and a bunch of other matters, and when we ask them how significant Europe is in deciding how to vote, we find that it falls way down the list. They are therefore trusting us, in a way, to do a job for them when we discuss the matter in the House. We, the political classes of this country, and I as a former MEP, have let the people of this country down.

The hon. Member for Caerphilly might say that the Lisbon treaty was not the constitution, but the fact is that the British people do not trust anybody on these

[Chris Heaton-Harris]

matters now. They think that we are all the same, and that whatever we say will simply not happen. As the hon. Member for Birmingham, Edgbaston (Ms Stuart) put it, we are all in favour of referendums when we are in opposition, but we are certainly not when we are in government. I welcome the Bill, because we can say to the British people that that has stopped.

There are matters in the Bill on which a Minister must judge whether something is "significant". I understand the fact that it sets out 44 vetoes, 12 decisions and eight ways of increasing EU competences on which a referendum will be mandatory and there will be no significance test. I hope that the Minister will say in what situations the significance test will be used, because I should like clarification of that point.

I believe that the significance test will apply when there is a possibility of conferring on an EU body or agency new powers or the ability to raise sanctions against the UK. There is a whole list of exciting and interesting EU agencies, and I understand that the European Agency for the Management of Operational Cooperation at the External Borders having an extra competence might not seem a huge issue for the Committee. However, I should like the decision to be taken by the House, not by a Minister. Such decisions are best taken by the Members of this place and those of somewhere else a bit further away. I should like the Minister to state why he believes such minor matters, as it were, do not warrant debate in the House.

Mr James Clappison (Hertsmere) (Con): My hon. Friend is making a compelling case. He is talking about minor matters, but does he agree that the Government concede that they could be significant enough to warrant a referendum? The question is not whether they are significant enough, but who decides whether they are significant enough. Would a Minister alone or the House make that decision?

Chris Heaton-Harris: I concur with my hon. Friend. Although I completely trust the Minister, I am slightly concerned that, in future, the role might be played by a Minister who was not so interested in those matters.

Ms Gisela Stuart: As a former Member of the European Parliament, the hon. Gentleman knows that the decision-making process on those minor amendments is infinitely longer in the European Parliament than in the House. I cannot remember how many Ministers for Europe there were in the 13 years of Labour government, but although I hate to say it, collective memory in this place is vested not in the Minister for Europe, but in the civil service. It is not even a Minister who makes the decision, but the civil service.

Chris Heaton-Harris: I concur with the hon. Lady. Several manoeuvres have taken place under previous Governments to determine who is Minister for Europe. The incumbents do not often stay in the role for long. Either they are, like the current incumbent, sufficiently ambitious to move up the ministerial pay scale, or they could easily be a journeyman on the way out. There is a historical context to some decisions about conferring a competence on an EU agency, and one needs to know what the agency was formed to do in the first place. I perceive such conferral as part of the mission creep in Europe. The European Commission, in establishing so many new agencies on such a regular basis, creates its own quangocracy.

When I was a Member of the European Parliament, it was difficult to police the spending and powers of an agency that the European Commission set up. Indeed, it was more difficult than policing some of the agencies and quangos that Governments of different complexions established in this country. If those agencies grab power and take more competences—even for a valid reason at the time—it is important that the Minister of the day understands the historical reasons for setting up the agencies and the intended limits on the powers. I was present when Eurojust and Euro-magistrate were set up—all part of the European public prosecutor, which I look forward to debating tomorrow, and all part of a significant salami-slicing approach of taking powers away from individual member states, and building something that nobody particularly wanted.

I understand that any ministerial decision on the significance test has a kind of double lock. It has been drawn as narrowly as possible, and I would therefore like the Minister to answer a couple of questions. First, I want to check whether any treaty change will require an Act of Parliament. I should like to think that Parliament will have every opportunity to vote for a referendum on such a change. That is why I support amendment 11. Secondly, the decision on significance is subject to judicial review to ensure that decisions not to hold a referendum only on genuinely insignificant matters are backed.

Those matters are important because, as I said, they are about getting the British people to trust the decisions that we make on Europe again. No member of the public wants decisions to be made behind closed doors, without reasonable explanation. I emphasise strongly to the Minister that the amendments are not about trust in him, his ability to undertake the role or his decisions. I would like clarification that Parliament will have a say because that is what we were sent here to do.

My hon. Friend the Member for Stone (Mr Cash) has tabled some tempting amendments to which the Minister and the hon. Member for Birmingham, Edgbaston alluded. In amendment 1, my hon. Friend manages to do a fantastic decapitation job on the Bill that would basically put all changes up for referendum. Although there is validity in my hon. Friend's reasoning—he has seen through the years a lot more of what goes on in this place than I have—I do not want everything to be decided by a referendum. The British people will not take that. They want Parliament to say, "These are important decisions and there will be a referendum, a debate in both Houses, or an Act and a vote," and the Bill makes such provisions. We can then choose whether to amend a measure so that it is subject to a referendum because we believe it to be so important. If we think that a subject is insufficiently important, we can decide not to have one. I am tempted by amendment 1, but I am simply unable to support it for those reasons.

I was tempted by amendment 1 because of the accession exemption, which the hon. Member for Caerphilly and a number of hon. Members mentioned. I tabled an amendment on accession to the EU that we will not decide on today, just as we will not decide on many

amendments that have been tabled. Amendment 21 is exactly as the hon. Gentleman described it. It would mean that a 3.5% dilution of our voting powers on the European Council triggered a referendum. That is a catch-all—it is completely designed as such—so that we would have a referendum on the accession of big countries.

Given that, amendment 1 all of a sudden comes back into play and I am once again tempted. I would much rather have had a comprehensive and sensible debate on clauses 4 and 5 today or tomorrow or in extra time.

Mr Cash: I understand where my hon. Friend is coming from, but there is a difference between significance and the opinion of the Minister on the one hand, and the question of exemption on the other. Clause 4(3) says that certain matters are forbidden territory. I am tempting my hon. Friend by saying that that whole category of exemption should clearly be removed, even if there will be a debate on what is or is not significant.

Chris Heaton-Harris: I understand what my hon. Friend says and I am quite sorely tempted, but my problem, as I described earlier, is the minutiae that might be sucked in under amendment 1.

Mr Cash: I understand my hon. Friend's reasoning, but the specific exemptions are set out in clause 4(4)(a), (b) and (c). I understand that he would not want my proposal to go too far. The British people expect these things, which after all include matters such as Turkey and treaties of the type proposed by the French only the other day, not to be exempted. The British people would be left out and not taken into account on such decisions and treaties, yet they would have the most incredible impact on them. I shall explain that later.

Chris Heaton-Harris: I always appreciate the lessons that my hon. Friend can teach a humble new Back Bencher and member of the European Scrutiny Committee, and I very much look forward to receiving them, but he makes a salient point. This is about what the people who put us here expect. That is why I ask the Minister please to listen to what hon. Members say about the significance clause and amendment 11. The proposal is not against him; it is about enhancing Parliament and its transparency.

5.30 pm

I stood in two European elections, in 1999 and 2004, and I think that when I got elected in 1999, more people voted to evict Bubble from the "Big Brother" house than voted in the European elections that year. There is a massive disconnect in relation to what people want to see, do and say about Europe and how they express their views, and the Bill will give them a reason to be more engaged and interested. I know that it is not perfect; as I have said before, I would very much like an in/out referendum, but that is not provided for in the Bill. However, I would say to those who are keen for us to maintain our relationship with the European Union that maybe, just maybe, a general education of the British people through giving them the power to say yes or no on various European matters would benefit all sides of the argument and could give us proper informed debate inside and outside the Chamber.

Mr Cash: Amendments 1 and 3 stand in my name. My comments boil down to what I said in my interventions on my hon. Friend the Member for Daventry (Chris Heaton-Harris) and were somewhat anticipated by the Minister earlier. In a nutshell, I see no reason why clause 2 should refer to an exemption condition or subsection (3) should state:

"The exemption condition is that the Act providing for the approval of the treaty states that the treaty does not fall within section 4."

Without any further let or hindrance, clause 4(4) would exclude from those arrangements that would result in a proposal for a referendum

"the codification of practice under"

the treaties already established

"in relation to the previous exercise of an existing competence",

and

"the making of any provision that applies only to member States other than the United Kingdom".

That is, I think, an incredibly important point. Also, as we have debated already, it would remove

"in the case of a treaty, the accession of a new member State",

which in this case would include Turkey. In the context of what the Government clearly want to exclude—in other words, their positive policy decision not to allow the British people a referendum on certain treaties of immense importance—they are disavowing the very intentions and principles that underpin the Bill.

I have made that point before over the question of sovereignty, where there is a massive contradiction between what is on the tin and what is in the Bill. I say again that those of us who spoke in favour of the sovereignty of Parliament won the argument, but that was not on the tin and it was not what the Whips—or, indeed, the Prime Minister—wanted, so it was voted down. That does not reflect particularly well—if I may say so—on our democratic system. We are faced with exactly the same point here. We are told on the tin that we will have a referendum on important matters—that is the general idea as explained in the Foreign Secretary's article in *The Sunday Telegraph* only a week ago—but on examination in Committee, it becomes perfectly obvious that certain kinds of treaty will be excluded. I have mentioned the example of Turkey, but I want to give another specific example of the kind of treaty that would be excluded.

Charlie Elphicke: Will my hon. Friend give way?

Mr Cash: I think that my hon. Friend can wait, if he does not mind.

I want to give an example that deals explicitly with a matter of immense importance that is coming up in the lift. In fact, it is not merely in the lift; the lift has come up and the doors are opening. Monsieur Fillon, the French Prime Minister, came over to see the Prime Minister specifically about this issue, and I have here the exclusive interview in *The Times* with Monsieur Fillon. I also had the opportunity to meet the French Minister for Europe and discuss the matter with him personally and privately.

There is no doubt about what they want or what they intend, which is effectively a twin-track treaty, which is a treaty entered into by us and the rest of the European Union—that is, with all 27 member states, in order to legitimise it within the framework of the treaty

[Mr Cash]

arrangements—so that they get their treaty and, within that treaty, an arrangement specifically designed to exclude the United Kingdom, even though we would be gravely affected by it. It would apply only to those other member states.

Clause 4(4) refers to

"the making of any provision that applies only to member States other than the United Kingdom".

They look like innocuous words, but what do they actually mean? That exemption condition—in other words, no referendum, to put it bluntly and simply—means that there would be no opportunity for a referendum if the other member states agreed to go down that route. They may well do that, despite all the protestations to the contrary, some of which were rather subtly indicated by the Prime Minister in his press conference, albeit without excluding the idea of any such treaty; rather, it was merely on the supposition that that might not affect us as much as we believe, or as I believe the British people would believe if they saw it in black and white. What do those provisions include? In particular, they include arrangements of that kind relating to fiscal, political, social and employment measures, not to mention other matters that would affect the relationship between us and the rest of the European Union. A massive juggernaut would be created, through a form of extremely enhanced co-operation between those member states, that would have an enormous impact on the United Kingdom.

I have been looking at the balance of payments between us and the other member states. The figures, which I got from the Library, only bring us up to 2009, before the catastrophe that hit Europe occurred, and they are alarming. The imbalance in the balance of payments between us and the other member states has been moving critically in the wrong direction. I could give the precise figures—I may do so later—but we only have to consider the following example, which was on the "Today" programme this morning. If one had listened to the programme, one would have heard about Belgium, which is in massive crisis, with protests and people on the streets, and no Government for 22 months. Greece is in absolute chaos, with protests and implosion, while Ireland, with its political crisis, is totally imploding. Spain has 4 million unemployed, with 40% youth unemployment and people on the streets on a massive scale today. Similar problems are also occurring in Italy, and there have been riots and serious unrest in France, too.

The bottom line is that Europe is not working according to the economic governance that has been prescribed. Yet under what is proposed, the opportunity to address the very kind of treaty that would enhance the ability to confront us with a massive juggernaut of policies that have been going wrong—policies that would undermine the opportunity to grow from our 45% to 50% investment in Europe—would be severely depleted. That would be the most damaging kind of treaty that could be entered into. Indeed, as I said in *The Times* on the day that the French Prime Minister came over, it would be the kind of treaty that I would expect our Prime Minister to veto on behalf of the British people. However, we cannot have confidence that that would happen, because of the argument being presented. This Bill was introduced on 11 November, when we know that treaties of the kind that I have just described were already being anticipated, however damaging and disastrous they would be for the very people of this country who, if they knew the facts, would say, "I insist on a referendum on any treaty relating to arrangements of this kind."

It would be an abomination for us to be confronted with the kind of arrangements that are being put into place—arrangements that would be so damaging to our growth and our relations with the European Union. That is why I say that this exemption provision has to be taken out of the Bill, for precisely the reasons that I have given. I do not need to enlarge on that point, but I absolutely insist that these provisions should be taken out. I look to the Minister, if he thinks that I am wrong, to give me a reasoned answer as to why.

Ms Gisela Stuart: I rise to speak to amendment 11, on which I hope the Committee will have time to vote. The amendment goes to the heart of what is wrong with the Bill. There are plenty of other things wrong with it: it is inconsistent, and all kinds of other things, but let us leave that aside for the moment. The hon. Member for Daventry (Chris Heaton-Harris) made an important point when he said that there was not a particularly clear party political divide on Europe, and that there were pros and cons on both sides. Very few people vote for their Member of Parliament because of the candidate's view on Europe. They do, however, have a sense that, in a parliamentary democracy involving the Crown in Parliament, the House will ultimately have to decide on these matters.

What worries me about the whole construct of the Bill, which purports to strengthen Parliament, is that it will actually do no such thing. There is a sense of "Oh God, make me virtuous, but not in this Parliament", and, because one Parliament cannot bind another, God knows what will happen in the next one. However, the default position will introduce the judiciary into the proceedings. It was bad enough that, when we were discussing parliamentary sovereignty, we were seriously asking whether it was a common law concept that would be open to judicial interpretation. It is not. The default position is that there must be a substantive vote in the Commons, and that that must be the ultimate decider if there is any doubt. There are manifold reasons why people have lost trust in the political process, but it is true to say that all parties have a tendency to behave differently once they are in government. They are much less inclined to ask the people than they were when they were out of government.

I am fundamentally in favour of the accession of Turkey to the European Union, but I would not like to go out and campaign in a referendum on that question. The Bill calls for referendums on significant changes. At the time when Turkey might accede to the European Union, its population will be larger than that of Germany. It will be the largest country in the EU by population, and its voting weight would therefore be larger than that of any other country. Anyone who argued that Turkey's accession did not represent a significant change would be living in cloud cuckoo land.

Kwasi Kwarteng: My issue with a referendum on Turkish accession is that it would not really be within the jurisdiction of the House. Yes, we can hold a referendum

on any transfer of powers from this country to the EU, and potentially veto that transfer. However, if the rest of Europe wanted Turkey to join the EU, we would have very little recourse to any action such as holding a referendum. That is my objection to the point about a referendum on Turkish accession.

Ms Stuart: I genuinely do not want to be patronising, but I might be about to sound patronising. An accession treaty would still have to be decided on by this House. We would have a say on whether Turkey would join. We might also go further and ask the people whether it should happen. Also, on the question of the transfer of new powers, there are very few areas—apart from the questions of a European standing army and joining the euro—in which the European Union does not already have powers in some shape or form. So this is not just a question of new powers; it is also a question of the strength of powers. If there were a question on the accession of Macedonia, I could argue that that was so insignificant that it would not affect our powers. However, the accession of a country such as Turkey is massive. So, to respond to the hon. Gentleman's question: this House—or perhaps the people—will decide whether Turkey joins the European Union, because the accession of a member state that would be larger than any of the others represents a significant change.

I shall return to amendment 11. There is so much wrong with this place, and my lungs are still full of dust, so my voice will go at any moment. I am sure that that will be a great relief to quite a number of people, not least those on my own Front Bench.

Amendment 11 states:

"If the Minister's opinion is that the effect of that provision in relation to the United Kingdom is not significant the Minister must seek Parliamentary approval for his opinion",

and the approval must be on the basis of a substantive vote. If we make this open to judicial review—I am fully aware that some argue that judicial review is never on the substance, but only on whether the Government misled themselves in the process or incorrectly applied the law—we need to be aware that if this House allows decisions to be taken outside, it will weaken itself.

5.45 pm

Let me finish with this observation. If this House has failed—and failed miserably—on one issue, it is on the scrutiny of matters European, although this is no reflection on the European Scrutiny Committee, which does its best. Things move at a very different pace with respect to Europe and they always come in small bits and pieces, making it difficult to judge whether they are significant. We can see what happens with Governments of all parties whenever anyone raises any doubts—over European arrest warrants, for example. On that issue, the previous Government said, "Oh, stop all this paranoia. This is never going to happen. Dream on". Then, from the moment they are in opposition they start saying, "Oh, do you know, I never realised this was going to happen. With hindsight, I wouldn't have done this". That has been the story for the last 30 years. We have a Bill before us now and we have an opportunity to improve it, so let us not start saying that the default position lies with some authority outside this House. The issues must keep coming back to this place and we should vote on them.

Martin Horwood: Is not the logic of the hon. Lady's position that the significance condition in clause 3, talking about the simplified original procedure, should have been in clause 2 and then applied to all issues relating to referendums? Why, then, was that not a Labour amendment instead of the rather strange committee-based structure that Labour Front-Bench Members have proposed?

Ms Stuart: There are plenty of inherent inconsistencies both in the original Bill and in the amendments. I was involved in the tabling of amendment 11, which makes it clear that if there is any doubt, it should be resolved by this House.

As a final observation, in our Parliament, the Executive always has a permanent majority. We can rely on the strength of this House only if there are sufficient Back-Bench Members who defy their Front-Bench Members. I see the Conservative Benches full of Members, so let me point out frankly that tonight provides them with a chance to show whether they have the guts and the courage of their convictions. They said all sorts of things in the process of their election and now they have an opportunity to defy their Front-Bench team, support an amendment tabled by a majority of Members of their own side and restore faith to this place.

Mr Clappison: What a great pleasure it is to follow the hon. Member for Birmingham, Edgbaston (Ms Stuart). As to the generality of her comments, I found nothing in what she expressed to the Committee to contradict my experience over five years of the European Scrutiny Committee. I intend to be as brief as possible, because I know that other Members wish to speak and that important amendments on other issues are due for debate later. I am sure that my hon. Friends share my wish to debate those important issues, particularly accession.

Let me say a few words in support of amendment 11, on which I shall seek a separate vote and hope I am lucky enough to achieve it. By way of introduction I should say that, in seeking to establish that a referendum is required before certain steps are taken, the Bill is a great improvement on the existing position. The Bill is also a significant improvement in requiring other steps, such as an Act of Parliament or a vote of this House where a referendum is not required.

I am genuinely concerned, however, that there remain some very significant gaps in the scheme of the Bill, and I believe that it is at this point in our detailed scrutiny that we should try to fill those gaps. It will be very disillusioning for all those whom we have promised and have led to expect that there will be a referendum on great transfers of power or great decisions in the European Union if that referendum does not take place. We want to do all that we can to avoid that sense of disillusionment. It is against that background that I seek to deal with the problem of the significance condition, to which hon. Members have referred.

Simply, amendment 11 would give Parliament a vote on whether certain transfers of power to the European Union are significant enough to warrant a referendum. As the Bill stands, the decision on whether matters are significant enough is in the hands of the Minister alone, subject to a challenge in the courts. Parliament does not get a say, however, at least on the question of whether there should be referendum.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I am listening carefully to my hon. Friend, not least because I put my name to his amendment. If the significance condition was not met, and therefore the Government were not proposing a referendum, do I understand correctly that legislation would still have to be brought to the House? If so, would the House not get an opportunity to give an opinion on whether the significance condition was met in any case? Will he clarify that?

Mr Clappison: I am grateful to my hon. Friend for putting his name to my amendment, and it is indeed the case that, whether or not the significance condition is met, there will have to be an Act of Parliament to give approval to what is proposed. However, there would be no requirement for a vote in the House on whether to hold a referendum, and there should be such a requirement in the Bill. I will endeavour to explain how relying on an Act of Parliament would be very inferior. If hon. Members want an illustration, they will see none better than all the vicissitudes of parliamentary process that we are experiencing this afternoon in trying to amend the Bill. For example, if this evening we do not reach the question of whether to hold a referendum on an accession treaty, the matter will fall, and unless it is chosen for debate on Report, again subject to all the vicissitudes of the parliamentary process, it will simply not get considered, even though it is very important. That might also happen in future, and that is why relying simply on amending parliamentary legislation is very inferior to putting a requirement on the face of the Bill.

Mr Dorrell: Is there not an important difference, however, between the circumstances today and those that would prevail in the context of future legislation that the Government concluded was not sufficiently significant? Putting such a killer amendment to the Bill would mean that no Member who would have supported that amendment if it had been called should have any reasonable basis to support the Bill on Third Reading.

Mr Clappison: The point could also be made that we have a very friendly Government who have given us five days—we would have liked a bit more time—for debate in a proper way. Those of us who can remember the treaty of Lisbon being taken through the House will remember how guillotines can be applied and how very important issues can go without being debated at all. I seem to remember that we debated the entire foreign and security policy and the question of common defence in about 45 minutes.

Mr Dorrell: I do not think my hon. Friend will remember a Bill going through the House without going through Third Reading.

Mr Clappison: There is that point, but I think that my right hon. Friend would find that it is all subject to the vicissitudes of parliamentary process, and such a reliance is inferior to placing a requirement in the Bill. In future, if the argument were advanced for a referendum, he and I might see a Minister stepping forward to the Dispatch Box and saying, "It is all very well hon. Gentlemen arguing for a referendum. When we had the European Union Bill, it was decided not to make it a requirement for Parliament to have a vote, and to leave it to the Minister alone to decide whether the matter was significant." To coin a phrase, that would be a killer argument.

Mr Jenkin: May I put it to my hon. Friend that if we accept the premise of my right hon. Friend the Member for Charnwood (Mr Dorrell) that there is no point putting the amendment in the Bill because the Act will have to come before Parliament in any case, we might as well ask, "Why are we bothering with the Bill at all?" The whole basis of the Bill is to ensure that the Government's feet are held to the fire over the definition of the treaty. The whole business of significance is totally malleable. If my right hon. Friend the Member for Charnwood does not understand that we need to treat such matters differently from how we treated them in the past, I honestly expect to see him in the Opposition Lobby on Third Reading.

Mr Clappison: My hon. Friend makes a very fair point. Why are we making all the other requirements for a referendum clear on the face of the Bill if we can simply tack something on to Report or Third Reading? Why are we bothering to go through the whole process? To leave out this question, when we are making all those other requirements, would leave a significant gap, and in times to come we might contemplate with some regret our failure to fill in that gap. I cannot see the great problem with requiring a vote of the House to approve a Minister's opinion. On these Benches, and probably in other parts of the House, Members stood on a manifesto that promised greater parliamentary scrutiny, and this is an opportunity to fulfil that promise. I can see no great obstacle to doing that.

Mr Cash: In supporting amendment 11, may I ask my hon. Friend whether he is aware, as I became recently when the Finnish delegation came over, that Ministers in Finland—and certain other member states—have established a very good practice whereby they must appear before the Finnish Parliament's equivalent of the European Scrutiny Committee to ensure that there is compatibility between what goes on in Parliament and what the Minister decides on such important matters?

Mr Clappison: With his great experience, my hon. Friend makes an important point, and there are similar arrangements in the Danish Parliament. The House should seek to have the best arrangements possible. I welcome right hon. and hon. Friends' movement in the right direction, but if they do not move on this point, they leave a significant gap in future. Briefly, I will try to explain how big a gap that could be.

There are only two clauses that cover a statement of significance by a Minister and to which the significance test applies. The others all concern competences or changes in the voting procedure. However, these two clauses are very important, as they cover the transfers of power that are apt to be made under the simplified revision procedure of article 48(6) referred to in clause 4. I will give way to the Minister for Europe, who is looking very interested in these points, if he disagrees with me. The powers that Ministers decide are significant enough to warrant a referendum, if they are transferred to the European Union, are those that will come to the House as a result of the simplified revision treaty. That important procedure was introduced specially by the

treaty of Lisbon. I will give way to any Member, including my right hon. Friend the Member for Charnwood (Mr Dorrell), who wants to disagree. That procedure made it easier and quicker to make constitutional change, and to bring about a transfer of power from nation states to the European Union.

We have spent some time debating whether we should have had a referendum on the treaty of Lisbon, the treaty of Maastricht, the treaty of Amsterdam or the treaty of Nice. However, under the simplified revision treaty, a treaty in those forms is not required. There is no requirement for a convention and all the other lengthy procedural steps that preceded the treaty of Lisbon. It is simply a matter that can be agreed between the member states at a Council meeting, and then approved by the individual Parliaments. The whole point of the simplified revision treaty was to make it quicker and easier to integrate powers in the European Union. It is a sort of "speeding up of European integration" provision. The provisions that are subject to a ministerial test of significance are the ones that will ensure that these matters are brought before the House. They embody the procedure of simplified treaty revision. There are only two of them, but they are very important. All the other provisions—or at least the preceding ones, which deal with competence—would require a full constitutional process under the ordinary treaty revision procedure with which we are all so familiar.

6 pm

Martin Horwood *rose—*

Charlie Elphicke *rose—*

Mr Clappison: I shall give way first to the hon. Member for Cheltenham (Martin Horwood) and then to my hon. Friend the Member for Dover (Charlie Elphicke), who has been waiting very patiently.

Martin Horwood: Surely the whole point of the simplified revision procedure is that it relates to changes that are relatively uncontentious and therefore insignificant. That is quite an important factor. Moreover, as even those changes will require an Act of Parliament, they will be subject to a vote in the House of Commons.

Mr Clappison: We have just been debating the hon. Gentleman's second point, but I shall say more about it shortly. However, I think that if he studies the Bill he will find that if he votes in favour of the clause, he will be voting in favour of the possibility of a referendum if the Government consider the effect of the provision concerned to be significant enough. It is not a question of whether it might be significant enough, otherwise the clause would not be in the Bill. If a Minister says that it is significant enough there will be a referendum, and I welcome that. It is a question of how we decide whether it is significant enough for a referendum. Should we leave that decision to a Minister, or should it be made by means of a vote in the House of Commons and the other place?

Charlie Elphicke: I find amendment 11 very attractive, because it would ensure that the Minister was subjected to a vote in both Houses. But what would happen if sweeping powers were passed to the European Union which anyone would describe, objectively, as significant, if both Houses were whipped to ram the legislation through, and if they did so? Where is the backstop to ensure that the British people are not cheated out of a referendum in such a case?

Mr Clappison: It would be a matter for this House and the other place to express their opinion and to vote for a referendum. That is in addition to all the other procedural steps contained in the Bill. It is not a case of either/or. We propose a further process: indeed, a further safeguard against the granting of significant powers to the European Union, as well as the powers for which the Bill already provides. I know that my hon. Friend is concerned about that issue.

Martin Horwood *rose—*

Mr Clappison: No doubt the hon. Gentleman will try to persuade me that the Bill does not say that that is significant enough for the holding of a referendum. I think that, if he reads the Bill carefully, he will find that it is.

Martin Horwood: The hon. Gentleman is being very generous with his time.

Surely even provisions that the Minister considers to be insignificant must be subject to a vote in the House of Commons, as an Act of Parliament will still be involved, and surely the backstop referred to by the hon. Member for Dover (Charlie Elphicke) is the ability of Members to vote against the Bill concerned and defeat it if they disagree with it so strongly.

Mr Clappison: I do not wish to be unkind to the hon. Gentleman, but I believe that I dealt with that point in my reply to my hon. Friend the Member for Dover. As I have said, this is not an either/or situation; the amendment provides an additional safeguard. I repeat that the powers that are transferred may or may not be significant, and this House and the other place may or may not vote in favour of the transfer. It is a question of whether the decision is made by Parliament or by an individual Minister—a Minister of the Crown, as the Bill puts it.

Jacob Rees-Mogg: As my hon. Friend knows, I have considerable sympathy with his amendment, but I wonder whether he may be looking a gift horse in the mouth. Given that an Act of Parliament is superior to a resolution of the House, if a resolution of the House were rushed through with remarkably little time and heavily whipped, it would be a great deal harder to insist on a referendum when the stage of the Act of Parliament was reached. Although, on first reading, I rather like my hon. Friend's amendment, I am increasingly concerned that if it were passed, those of us who wish to insist on a referendum would have a harder task to fulfil.

Mr Clappison: My hon. Friend has clearly given the matter great consideration, but I think that he is wrong, and that if others agree with him, they are wrong as well. The procedure for which my amendment provides is exactly the same as that which the Government propose in other parts of the Bill relating to other transfers of power, including those relating to the title V provisions on justice and home affairs. If my proposed procedure is defective, so is the Government's proposed

[Mr Clappison]

procedure, because the terms of the amendment are the same as the Government's. If the Minister's opinion was that the effect was not significant enough to warrant a referendum and Parliament did not agree with that opinion, there would have to be a referendum, because the significance test would not have been met. That provision is in the Bill, so I do not think that it could be any stronger.

Mr Cash: The opinion of the Minister will in fact be the opinion of the Whips, who will wish to ensure consistency in the Act of Parliament to which reference has been made. For practical purposes, my hon. Friend is right. If Parliament has said that it does not approve of the opinion of the Minister, it will be an awful lot more difficult for the Bill to be whipped; and if the Whips did that, they would be in defiance of the very sovereignty to which I have referred repeatedly during our debates on the Bill.

Mr Clappison: My hon. Friend is right. The amendment follows the scheme of the Bill. Unless a Minister says that the transfer of power is insignificant, there will have to be a referendum, because the significance condition will not have been met. The amendment provides that if the significance condition is met because the Minister says that the transfer is sufficiently significant, there must be a vote in the House to prove that what the Minister has said is correct, and if the significance condition is not met, there must be a referendum.

Broadly, the question is this: does Parliament decide, or does a single Minister decide? The Government propose that a single Minister should decide, but, as my hon. Friend knows, there is a fall-back position, namely that the Minister should be challenged not in the House but by means of judicial review. I find that somewhat strange, as did some of the distinguished academic witnesses who gave evidence to the European Scrutiny Committee.

Under the Bill, if one of our constituents is aggrieved by what the Government propose, his recourse will be not to his Member of Parliament but to the courts, through judicial review. I think that that in itself sends a very odd signal. What should I tell a constituent who comes to my surgery and complains about the European Union, as some of my constituents do when it introduces a regulation that has an adverse effect on their jobs or companies, or when they disagree with some transfer of power? Should I say, "I am sorry. You may want a referendum, but you have come to the wrong place: you need to visit the solicitor's office down the road"? I do not think that that is a very satisfactory state of affairs. We are told that clause 18 entrenches parliamentary sovereignty, but I think that if we adopt the proposal in this clause, we will bypass that.

Jacob Rees-Mogg: A Minister's decision can be subject to a judicial review, and, under the Bill, the House would have an opportunity to insist on a referendum. If, on the other hand, the House voted against a referendum in a resolution, that would not be subject to judicial review, because procedures in the House cannot be reviewed by any court. I am beginning to think that the Government's proposal for an Act is a stronger safeguard, because the Minister's decision could be challenged and then voted on as part of the legislative process, whereas if the House were whipped to oppose a referendum, that would not be subject to any judicial review.

Mr Clappison: I fear that I must part company with my hon. Friend if he is suggesting that our democratic safeguard should lie in recourse to the courts rather than to Parliament. I am afraid that I must put Parliament first. In any event, as was demonstrated by evidence given to the European Scrutiny Committee by esteemed legal experts, it is very unlikely that a challenge to a decision by either a Minister or the House of Commons would succeed in a judicial review. I think that we are being led down a blind alley. In my opinion, even if the possibility of a judicial review of a ministerial decision had been contemplated in the explanatory notes or in ministerial statements, judges would be extremely reluctant to challenge a political decision on the significance of a particular transfer of power. I also believe that the fact that we are contemplating such a step as the main challenge to a Minister's decision risks undermining the House of Commons while not providing any further safeguard.

Mr Cash: Although the Committee has rightly said that a judicial review might be considered unlikely in certain circumstances, the key question is what Parliament has said about the circumstances in which a referendum should be required. We should bear in mind above all else the fact that we in Parliament should decide what is in the interests of our own constituents. We are here to give them the opportunity on these matters—that is part of the Government's overall case which, regrettably, fails on a number of tests as we go through these proceedings. The object of the exercise is to ensure that the people of this country have the right to decide on matters relevant to their daily lives. Regrettably, the fancy franchises being thrown up by these exemption conditions and significance arrangements are invading the central question, which is whether the people of this country should be allowed to decide after we have made our judgment on their behalf.

Mr Clappison: I am grateful to my hon. Friend for that point. The long and short of it is that the Bill provides that unless the significance condition is met and it is decided that a transfer of power is not significant enough to warrant a referendum—some transfers of power will not be significant enough, whereas others will be—there will not be a referendum. As the Bill stands, the Minister alone will decide whether that condition has been met and this House of Commons will not have the chance for a separate vote, before an Act of Parliament, on whether a referendum should be held. Even if someone were lucky enough to find the time and all the rest of it to table an amendment on this during the consideration of a Bill, it is unlikely such an amendment will succeed if this is not contemplated in this Bill. The Minister would simply say, "The Government of the day decided that there were certain occasions when a referendum would be required and this was the procedure for dealing with a referendum in these cases. It was decided that a Minister's opinion was the test of significance or not, so this does not apply." I do not see such an amendment being a successful avenue or a good defence to which to turn.

My amendment would provide an important safeguard, which is in addition to there being an Act. I welcome the provision for an Act, because that is a good thing. To be fair, an Act of Parliament is not required in these circumstances at the moment, because the transfers of power under the simplified revision procedure are simply subject to the resolution of both Houses. The Bill's proposals are therefore a step forward, but we could do so much better. If we do not make the change that I am proposing, we will be leaving a big gap.

Nick de Bois (Enfield North) (Con): I am very attracted to amendment 11, but I am struggling to understand one thing. It has been debated, but perhaps my hon. Friend can give me some clarity on it. He rightly says that an Act of Parliament will be required, but a Bill that is whipped will surely get through. Why does he believe that his amendment will be any more successful here?

Mr Clappison: For the same reason that placing something in a Bill is a stronger defence—it has stronger legislative authority—than leaving it to chance in the future. My amendment is a safeguard in addition to the Act of Parliament that will be required, and including in the Bill requirements on a referendum would make things legislatively stronger.

We come back to the question outlined by my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), "Why put any of these requirements in the Bill and why provide these 44 situations where a referendum is required, given that each time we have an Act of Parliament for a treaty change, as we would have to have, we could simply do the same thing then?" That argument is being run in certain quarters, but it makes a mockery of the whole Bill. I do not want to be too unkind to those who promote that argument, but I merely say that it was fully ventilated during the European Scrutiny Committee's deliberations and it was dismissed, and not only in one report. We produced a majority and a minority report, which disagreed on almost everything but agreed that a change needed to be made on the significance test. When one understands the two spectrums of opinion in the European Scrutiny Committee, one can see the measure of achievement in uniting the two.

Mr Cash *rose—*

Mr Clappison: I give way to one of those spectrums.

Mr Cash: It seems inconceivable that if parliamentary approval for the Minister's opinion were denied precisely because of the arguments that have been heard in the House of Commons, the Government would then say, "We are going to enact this anyway. Parliament has said that it disagrees with the Minister's opinion that such and such applies, but we are going to pass this by way of an Act of Parliament." That is just not real. The real decision would be taken on the assessment of the opinion of the Minister and that would be properly gone into if my hon. Friend's excellent amendment were accepted.

6.15 pm

Mr Clappison: My hon. Friend is absolutely right. Hon. Members will just have to face the fact that although the Bill is a step forward and contains very good provisions, we must not leave gaps. If we leave this gap, we leave a get-out clause to be used in the future. Given the volume of change that could come through the simplified revision procedure, that could prove very important indeed and we may regret our decision in time to come. I cannot see what the enormous problem is with having this requirement in the Bill. I am used to hearing the argument that something could be done in a better way and to hearing technical arguments, but my experience is that when such arguments are put before the House, they usually have little real basis. If we want to have something, we should vote for it. I see no reason of policy or substance that is an obstacle to my proposal. Perhaps the Minister will tell us why. He has been very reasonable and persuasive on many other points in the Bill.

Mr Cash: And very charming.

Mr Clappison: He has been very charming and dealt with things in a very satisfactory and open way.

Mr Cash: And very friendly.

Mr Clappison: He has been friendly. He has been a model of charm and ministerial competence, but he has not yet produced any credible reason why we cannot have a vote in Parliament to decide whether something is significant enough to trigger a referendum, as opposed to leaving it simply to a Minister. What is wrong with trusting Parliament?

Nia Griffith (Llanelli) (Lab): I rise to speak to the amendments standing in the names of my Labour Front-Bench colleagues. People elect their MP to speak up for them in Parliament and that is what they expect us to do. They expect us to speak up, to do business for them and to do certain work for them because they have put us here and they cannot spend every minute of every day looking at every detail that they want us to look at. They expect the party in government to tackle the problems of the day. When I say that the general public do not want numerous referendums on technical matters it is not because I doubt their ability to study the issues and make up their own minds—they could of course spend their time doing that. What people tend to say to me is, "Nia, it is your job. You've been elected to do this. We want you to look at these things and tell us the best ways forward." That is not because they cannot do this themselves. They expect us to do the nitty-gritty work on the legislation.

Chris Heaton-Harris: I understand where the hon. Lady is going with this argument, but is what she is describing not exactly what she is asking the people of Wales to do in a certain referendum in March?

Nia Griffith: Indeed. I shall be dealing with that point shortly, because it is very important. There is a huge difference between the attitude now in Wales and the one prior to 1999, when people were very excited and enthused about the setting up of a new institution, there was a lot of media coverage and a lot of people were talking about it. With five weeks to go before the vote on 3 March, people are not particularly interested. They are saying, "This is a technical difference. If it is a matter of making the process better and simpler, so that

[Nia Griffith]

things can be done in the Assembly rather than in Parliament, could you not just get on with that and do it?" That is not because people are not interested, because they do not appreciate what the Assembly is doing or because they do not accept that we have different ideas about how to run the health service and education and about how to protect the education maintenance allowance; it is because referendum fatigue is setting in. People are saying that on the big issue they want to have a vote—they want to say that there is going to be an Assembly—but on the technical issue they are saying, "You are telling us that there are better ways of doing things. We would like you to look at the detail, rather than for us to have to do that all the time."

Mr David: Does my hon. Friend agree that an important issue is involved in the case of the Welsh referendum? It concerns whether the Welsh Assembly will have primary or secondary powers, which is an important constitutional issue. Despite that, it is very difficult to get people engaged and to encourage them to make a decision according to the arguments on that constitutional point.

Nia Griffith: My hon. Friend is absolutely right. That is the problem. The referendum is about the technicalities and that is why it is so difficult to get the media and press interested and so difficult to make it the ordinary subject of conversation in pubs.

Priti Patel (Witham) (Con): Does the hon. Lady agree that when it comes to issues that are in the national interest, both the public and the media will be engaged?

Nia Griffith: Absolutely. That is the important point and that is why we are calling for a committee to be set up. That would provide the opportunity for the issues to be discussed. If the subject were important and interesting, there would be media interest and lots of lobbying and, as with any work that is done in Committee, the issue would become one that people considered. The whole point of having any committee is that it can make that difference. Committees can do the work on the detail. An innocuous little detail can turn out to have a major impact and that point can be uncovered in Committee. Likewise, something that seems quite big to start with will, when it is considered in detail, be shown to do not much more than maintain the status quo.

Stephen Gilbert: As I understand the Opposition's proposals, there will be one committee comprising Members from both Houses, who will then separate and go back to their relevant Chambers to carry the argument in favour of or against a referendum. Perhaps the hon. Lady can enlighten me given that her Front-Bench spokesman was unable to do so. What will happen in the event of a clash between the Houses?

Nia Griffith: It is very clear. The idea is that if one Chamber does not think there is a need for a referendum, there will be no referendum. If both Chambers think there is such a need, there will be a referendum. Clearly, the committee's recommendations will be considered and we will ask whether the matter is of major significance. One would expect any matter of major significance to create excitement in both Houses.

Stephen Gilbert: So whereas the coalition proposes to legislate to ensure that the people have a referendum, the Opposition are proposing a committee of Members of the two Houses, both of which have a veto, which will mean that we might not have a referendum at all. Is that the position?

Nia Griffith: The hon. Gentleman has to understand that the committee will make recommendations and it is not about what the committee will say. When the committee comes back, we will not all automatically do what it says; it will make recommendations. My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) talked about collective memory, what it is and how important it is. The people on the committee might well have an enormous amount of experience and the people who are likely to want to be involved or to consider the detail will have done so previously. As she pointed out, ministerial teams often change and have to pick up a brief very quickly, so they will not necessarily have that knowledge.

The idea is that the committee should consider the detail, sift out what really matters and make a recommendation, but the Houses will not have to take that recommendation at face value. If the issue is of major significance, surely by that time some interest will have arisen, people will be doing their own research and people will be coming to the Chamber with plenty to say.

My constituents are saying to me, "You do the nitty-gritty and sort out the bits and pieces. When you have done that, you can tell us whether you think that this is a matter of major significance." That is the idea—the committee would bring that information to the House, and this House and the other place would make the decision.

Kwasi Kwarteng: My understanding of the hon. Lady's position is somewhat unclear. Is she saying that her constituents have delegated to us the responsibility and have therefore no interest in the outcome of a debate on the referendum?

Nia Griffith: I am saying that my constituents say that there is often detail to be considered before we can decide whether a change will have a major impact. In the Bill, there seems to be great confusion about what a power actually means. We do not seem to have clarity in the Bill. My constituents are saying, "This is the sort of work that you need to do. When you, in Parliament, can tell us whether you think an issue is significant the door is open for a referendum if that is what you think best."

Mr Robert Buckland (South Swindon) (Con): On the point about when the decision is made, will the hon. Lady enlighten me on the time scale over which the joint committee would report? It is part of a ratification procedure and there needs to be some defined time scale that I do not see in the amendment.

Nia Griffith: The hon. Gentleman raises a significant point. One difficulty about European legislation is that dealing with these issues often takes an enormous amount of time. Often, developments take place over a considerable amount of time whereas a referendum gives a snapshot of the mood of the country at one time. That might

mean that people vote on different issues. It is important that the committee would have the opportunity to go through the issues and decide what is and what is not important. The hon. Gentleman knows as well as I do the situation in respect of Europe, what has to be decided and how it has to be ratified.

Martin Horwood: Given that we are all agreed that any change would be subject to an Act of Parliament, what is to stop Parliament as a whole subjecting the change to such scrutiny and even possibly suggesting an amendment on a referendum as the Act went through? I am sure there would be many volunteers on the Government Benches to draft the amendment.

Nia Griffith: Perhaps it would be better to have a cross-party committee and to take the matter away from the partisan approach. There are many areas on which there is cross-party agreement on Europe and many issues on which feelings are not particularly partisan. I suspect that there are more differences between Members on the Government Benches than there are between Members on the Opposition Benches and others on the Government Benches.

Graham Stringer: Is not the constitutional position normally that this House is superior to the other place on manifesto commitments, on finance and on secondary legislation where the law is already decided? Is it not a flaw of new clause 9 that we are giving a veto to the other place on whether we consult the electorate? That is an extraordinary position.

Nia Griffith: I am sure that my hon. Friend will enlighten us a little more on his position later. The important thing is that we are talking about the sovereignty of Parliament and the opportunity for us to have that debate and to have a say. Frankly, I think we all agree that there is a role for a committee to sort out the detail.

In many areas, there is general consensus that we do not want to see swathes of power wafted away to Europe. My right hon. Friend the shadow Chancellor has always made a very forceful case for keeping out of the euro and I dare say that many Government Members agree that that is a good position to take. We are trying to provide the opportunity for greater safeguards and for a committee to consider matters that would sift out the unnecessary and trivial, focus on the issues that matter and ensure that we have the discussions that we need.

Charlie Elphicke: I am grateful to the hon. Lady for being so generous in taking interventions. As I understand it, she is saying that she was sent here by her constituents to do the detail, work out the complicated stuff and then tell them whether they need a referendum. Were she selected by Mr Speaker—by an entirely independent process, and not by the Whips, as would seem to be the case—to be on that committee, what sort of detail would there need to be to make her say, "Yes, I vote for a referendum on this issue"? What kinds of subjects does she think would merit referendums?

Nia Griffith: We have spent a considerable time in the European Scrutiny Committee listening to experts on particular issues. We would need to ask what powers are being given away, what would not be the same as it is now and where the qualified majority vote would become a simple majority. We would need to ask, "Is that acceptable? Is there an issue of sovereignty? Would we be giving away something that we have always had in this Parliament to a European super-structure?" Those are the things that we would want to consider in detail. The whole point is that the committee makes a recommendation; the committee does not simply live by its own views. I have had few letters or e-mails from anybody about a referendum, even during the last Parliament when there was quite a fuss about it in the media. I must have had three or four letters or e-mails throughout the five years of the previous Parliament, when the matter was quite an issue in the press, so I do not think it is such a huge and exciting topic out there as the hon. Gentleman might think.

6.30 pm

Chris Heaton-Harris: I thank the hon. Lady for giving way again; it is very kind of her. Following on from the point made by my hon. Friend the Member for Dover (Charlie Elphicke), the hon. Lady said that the shadow Chancellor had kept us out of the euro. He has ensured that we will never be able to go in, because of our massive level of debt. Would a debate on entering the euro go before the committee before anybody could decide on it in either House?

Nia Griffith: I will address my remarks to the question before us. The issue that the hon. Gentleman raises is much wider and would merit full debate in the House before any decisions were made. It may well be outside the remit of the Bill. It is a matter that any Government would want to discuss thoroughly. I can hardly see it being a popular move without proper discussion and consensus.

We need to remain in Europe. We do not want the label that Giscard d'Estaing threw upon us in the Lisbon treaty discussions, when he said that the UK would opt out of this and opt out of that, and that we were for ever opting out. We got a reputation as the country that cried wolf all the time and did not engage with the serious issues. It is important that we do not become the spoilt child of Europe. We must take our part; we must stand up and be counted; and we want a mature and sensible approach to what merits a referendum and what does not.

In conclusion, I fully support the idea of a special referendum committee being set up, which would have as its remit to look into the necessary factors and then make a recommendation to both Houses about whether a referendum were needed.

Charlie Elphicke: I see the Bill as a ground-breaking and essential force for good. It is important to understand that the context of the Bill is the reaction of many people throughout the land against the denial of a referendum on an EU constitution renamed and rebadged as the Lisbon treaty, but not changed.

It is a pleasure to follow the hon. Member for Llanelli (Nia Griffith), and a privilege to hear from a Member of Parliament who has not had the ire of constituents come down upon her head for not standing up for a referendum on Europe. I congratulate her on having a constituency which is clearly full of people who are delighted with the European Union and delighted never

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to be consulted by means of a referendum. It is a fine constituency that she has. No doubt she has the odd housing claim—

Mr David: Surely the hon. Gentleman recognises that people are not concerned about constitutional abstractions. They are concerned about their jobs, their children's education and their health. Those are the issues that matter to people. If he does not realise that, he is not in this world.

Charlie Elphicke: The shadow Minister for Europe makes a fair point. In my constituency, yes, people's prime concern is that Labour all but closed the hospital down and that we will be getting a new hospital. They are concerned that they lost jobs and money. They worry about how they will get by, and about the massive amount of borrowing and taxation. I entirely agree with the hon. Gentleman. My right hon. and hon. Friends in the Government are trying hard to sort out that difficult problem. That will take time.

Kelvin Hopkins (Luton North) (Lab): I take issue with my hon. Friend the Member for Caerphilly (Mr David). Constitutional matters underlie everything else that happens. For example, constitutionally we chose not to join the euro. Had we joined, our economy would now be utterly wrecked, but in fact it will survive.

Charlie Elphicke: I thank the hon. Gentleman, who is highly knowledgeable and skilled in European matters, for making the point far better than I could. I was about to make it myself. Yes, of course schools, hospitals and the economy matter, but what also matters is our sense of nation and our independence as a member state in the European Union, not as a state in a federation. That is essential, and it is essential that we were not in the euro, for the exact reasons that he set out.

Had we been in the euro, we may well have found ourselves in the predicament that we see across the Irish sea or in southern Europe, given the reckless borrowing that took place over the previous decade, which brought our country to the brink of bankruptcy. I, for one, am glad that we did not join the euro. It is the one thing on which I congratulate the new shadow Chancellor and the former Prime Minister—preventing Tony Blair, when he was Prime Minister, from going into the euro. It was the only spark of light and quality in that Government. I am hard pushed to think of any other.

I return to the Bill, having been led astray by those gentle and generous interventions. I shall begin by focusing on clause 11. My hon. Friend the Member for Hertsmere (Mr Clappison) made a series of powerful points about the primacy of Parliament. His argument was that we cannot trust the Ministers of the day because they have their own agenda. If they do not consider a matter significant, they will certify it as not significant. Some check and balance is needed. There must be a resolution of both Houses of Parliament.

When I first thought about that, I found it attractive, but on reflection my concern is that if the Minister considers a matter not to be significant, he will toddle down to the Whips Office and have a chat to the Parliamentary Secretary to the Treasury. He will say, "Look, chief, this isn't significant. Let's just whip this vote through the Commons, whip it through the Lords and push it through." That is what would happen.

Mr Jenkin: Is my hon. Friend seriously suggesting that he would be swayed by his Whips on such a question?

Charlie Elphicke: I defer to my hon. Friend. His independence of mind and spirit is well known, and his championship of the cause of our nation in the matter of Maastricht is well recognised and on the record of the House. I would be proud if I were half as strong, resolute and bold as he is. I hope the day will come. It is, as everyone knows, a feature of the working of our political process that there will be heavy pressure in both Houses for a Government to get their agenda through.

Chris Heaton-Harris: There is history here, is there not? Were we not told as a nation by a former Minister for Europe, the right hon. Member for Leicester East (Keith Vaz), that the charter of fundamental rights had no more significance than *The Beano*? The charter is now incorporated in the Lisbon treaty and we are all suffering from it. A judgment call by a Minister about what is significant could turn out to be very important indeed.

Charlie Elphicke: I entirely agree. I remember in times past the former Prime Minister, Tony Blair, saying that the Scottish Parliament was a parish council, but it has far more sweeping powers than that. He was making a point about sovereignty and saying that it would not change anything, but a considerable amount of devolution has been given to Scotland. In the same way, the movement towards ever-closer union, which we have seen latterly in the Lisbon treaty, has highlighted the fact that although we are told, "It's okay, it's a small step, it won't make any real difference," it makes a massive difference.

I will be corrected if am wrong, but I think that about seven of every 10 of our laws are now effectively made in Europe. I have costed that and found that the European Union costs each and every household in this country an average of about £2,000 a year in taxes, which is a substantial sum. The hon. Member for Luton North (Kelvin Hopkins) rightly said that our constitution and how we interrelate with Europe are important matters. If he wants to intervene on that point, I will give way.

Kelvin Hopkins: The hon. Member for Harwich and North Essex (Mr Jenkin) made light of the matter in saying that we would not obey the Whips, but surely the important point is that when the House makes a decision, we as individual MPs with individual votes that will go on the record must account to our electorates for that. It is possible that the Whips will bully, cajole, press and threaten—I have no experience of these things, of course—but our responsibility is to our electorates. In my constituency, a mini-referendum was won by those calling for a national referendum on the Lisbon treaty, and it was publicised on television and elsewhere. On something as fundamental as constitutional change relating to the European Union, the electorate do care. We are accountable to our electorates first, even though we pay lip service and tip our caps to the Whips from time to time.

Charlie Elphicke: I entirely agree with the hon. Gentleman. My central concern with clause 11 is that a Minister could say, "This isn't significant," and sign over some massive power. The Act of Parliament will then be whipped and rammed through both Houses. An individual, perhaps a constituent of mine in Dover, might then take issue with that because they think that it is significant. How will that constituent have a say? The Bill's current protection is judicial review, but if we had a whipped vote of both Houses and a resolution that the matter was not significant, that would weigh in the minds of the courts.

I will go further: on this matter I am a renegade among many of my hon. Friends who say that the courts have no place interfering in the business of this House. I am an old-fashioned lawyer, and I take the view that the courts are an important check and balance in our democracy. Perhaps it is just me, but in respect of our political system wishing to ram something through and take away our rights, I always thought that the purpose of the rule of law was to hold back the Executive and act as a check and balance. The purpose of the rule of law—I think this started with Magna Carta, and it has continued in legal documents written since—and the purpose of the courts is to hold back that express, overweening Executive power and ensure that the subject has their say and stands up for their rights. I do not seek to oust the jurisdiction of the courts in determining whether a significant condition has or has not been met, which I think is an important part of the Bill and an important check and balance.

Martin Horwood: The hon. Gentleman is making a powerful case, but surely the ultimate sanction should not be with the courts, but with Parliament. Having an Act of Parliament as part of the process must be the check. He is not really describing a legal check on the Executive; he is implying that it is a legal check on Parliament, which surely rather threatens the constitutional arguments that some of his hon. Friends made last week in relation to the Bill.

Charlie Elphicke: My hon. Friend makes a fair point, so let me to clarify my position. We will hopefully have an Act of Parliament that will state that there will be referendums in the case of matters that are of significance. A Minister might then come along and say that he does not think that a matter is significant. An individual will be able to go to the courts to seek a judicial review, saying that they think that the matter is significant on objective criteria. The court will then rule on that ministerial decision. That has to be right.

Jacob Rees-Mogg: What exactly will the courts do on a judicial review? Will they say that the Minister has not followed the correct process in coming to his decision, or will they try to overturn his decision? My hon. Friend is a lawyer, so I would be grateful for his explanation.

Charlie Elphicke: I believe that they would refer the decision back to the Minister to take into account relevant considerations, which would prevent a perversity. For example, if a Minister were to say that joining the euro was not significant, and if there were no other checks and balances in the Bill, an individual might decide that the matter was very significant and seek a judicial review. The courts would then tell the Minister that that was a perverse and an unreasonable decision.

6.45 pm

Mr David: Does the hon. Gentleman accept that precedent and the vagueness of the Bill tend to indicate that it is likely that there would be no judicial review, because the issue would be defined as a political decision?

Charlie Elphicke: With respect to the hon. Gentleman, I think that that is increasingly less likely to be the case.

Michael Ellis (Northampton North) (Con): In a judicial review, the courts would be concerned about any abuses of power and about whether a public body might have taken decisions that were ultra vires, meaning that they were beyond the powers of that body. The courts have recently been involved in reviewing decisions relating to the royal prerogative. As far as judicial review is concerned, the courts will not interfere with primary legislation or the decisions of this House. It seems perfectly reasonable, therefore, that the administrative courts could act as a safeguard in relation to secondary decisions, such as those taken by a Minister of the Crown on whether a matter is significant.

Charlie Elphicke: I completely agree with my hon.—and learned—Friend, who makes the central point. He will correct me if I am wrong, but I believe that until recently the courts shied away from reviewing the exercise of prerogative powers. These days, they are far more gung-ho in acting as a check on the decisions of the Executive. We should be in no doubt that the significance condition set out in the Bill is the decision of a Minister, meaning a decision of the Executive. As such, it is amenable to judicial review. In that way, we have the check and balance, which gets us out of the problem that concerns me: the issue of whipped votes being used to ram legislation through Parliament under some future Government. That does not apply to the current Minister, because he is a fine Minister who will use the powers correctly, but what if a future Minister has a more Euro-enthusiastic approach?

Michael Ellis: A Labour Minister.

Charlie Elphicke: Perish the thought. Were such a Minister to make such a decision, my constituent would be able to challenge it and ensure that there was a more objective assessment.

Mr David: I hope that the hon. Member is not suggesting that the Bill might in some way bind future Parliaments.

Charlie Elphicke: The shadow Minister knows from our discussions on clause 18 that it is not possible to do that. Nevertheless, were he to become Minister in future and find the Act tiresome in holding back the floodgates of his Euro-enthusiasm and desire to embrace the greater Europe, he could dispense with the Bill by repealing it. However, he would take a political hit in doing so, because he would be taking away from the British people their right to have a say on the treaties that would follow. Therefore, he would have to be pretty

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forthright with the electorate in an election manifesto. If he was not, he would be open to the questions and ire of a large section of the British public who would regard that as an issue of concern.

Without further ado, it is right that I discuss new clause 9, which was tabled by the Leader of the Opposition, the shadow Foreign Secretary and the shadow Europe Minister. As far as I can see, it proposes a total watering down of everything in the Bill. I have been told by the Clerks that I am not allowed to describe it as a wrecking amendment, but I believe that I am allowed to say that it would, in my humble opinion, wreck the Bill, as far as its purpose and intent are concerned.

Richard Fuller: Does my hon. Friend agree that new clause 9 demonstrates that the Opposition have not learned the lessons from when they duped the electorate about the proposal for a referendum? In the new clause, they seek to hide the decision-making authority in a committee, but we do not know who the members would be, in what proportion they would be drawn from either House, whether all of them would be elected or whether they would be whipped. In short, it would lack the clarity that the British people want on such a decision about their future in relation to the European Union.

Charlie Elphicke: My hon. Friend makes exactly the point that concerns me most. New clause 9(5) states:

"The Committee shall consist of no more than 19 Members"—

19 great and good—

"drawn from both Houses".

But would it include my hon. Friend the Member for Stone (Mr Cash), who is so learned and knowledgeable about European matters? Some future Government, operating that selection mechanism, might find that his services were not required, that he was more trouble than he was worth, and that he would talk for too long—perhaps for longer than an hour in Committee—and tie up everyone. In such a manner, they might not include him. I, however, can think of no Member who knows more about the matter than he, except perhaps the hon. Member for Luton North.

Kelvin Hopkins: I absolutely protest. The hon. Member for Stone (Mr Cash) knows infinitely more than I do.

Charlie Elphicke: Shortly after my hon. Friend the Member for Stone, the hon. Gentleman is a true expert, and whenever he rises to speak I listen with interest and learn.

Would the proposed committee include, for example, the hon. Member for Birmingham, Edgbaston (Ms Stuart), who is highly knowledgeable but does not always take quite the on-message view that her pager instructs? Would it include my hon. Friend the Member for Harwich and North Essex (Mr Jenkin), or his constituency neighbour, my hon. Friend the Member for Clacton (Mr Carswell)? I can think of no more expert people to sit on such a committee, but, if the new clause were passed and the Bill changed as advertised, those people—who are so expert and know so much about matters européenne—would not find themselves on it. I have a sense that the Front-Bench teams of whoever was in power, might not include such people. For that reason, new clause 9 is a Trojan horse. Its purpose, in my humble opinion, is to take power away from the people and to stuff it upstairs in a committee; and that, in essence, is the wrong thing to do.

Stephen Gilbert: Is there not another problem? Today, we have teased out of the Opposition the fact that the new clause would effectively give the other place a veto. If the House of Lords decided that it did not want a referendum but the House of Commons decided that it did, we would have stalemate and no referendum.

Charlie Elphicke: My hon. Friend makes a powerful point. The House of Lords was once a thoughtful, revising Chamber that would have orderly debates and not detain business excessively, but some of the new arrivals seem to have changed the way in which it operates. I am told that the Standing Orders and courtesies of this House prevent me going any further into all that happened in the House of Lords, but we have all read the news and seen the number of marathon sessions, and it is incumbent on some of its newer Members to think of the health of some of its older Members and to be a little more considerate than they have been of late. My hon. Friend is right about the House of Lords: whether we go further into or come out of Europe is a matter that should start in the House of Commons, because this is the House of the people.

Michael Ellis: Is my hon. Friend struck by the fact that the Opposition appear to wish to increase the power of the unelected Chamber, as it is currently constituted, in a way that one has not seen since at least the Parliament Act 1949 and potentially the Parliament Act 1911? Through their proposed change, they seek to give the House of Lords the power, in effect, to overrule the wishes of the House of Commons.

Charlie Elphicke: I entirely agree. My hon. Friend makes a strong and forceful point.

I have another concern about new clause 9. My hon. Friend the Member for Harwich and North Essex, as I have said, fought valiantly for the people to have a say on the Maastricht treaty. If Maastricht were refought and the matter reconsidered, is it likely that out of the Opposition's proposed committee a referendum would come forth? Many of us have some doubts about that. My right hon. Friend the Foreign Secretary in former times made the case that the Amsterdam and Nice treaties should also have been subject to a referendum. If we had had such a committee system, would there have been a referendum? Can the shadow Europe Minister, the hon. Member for Caerphilly (Mr David), tell us whether there would have been a referendum if his committee system had been operational?

Mr David: I do not have a retrospective crystal ball. We are looking to the future.

Charlie Elphicke: We come to the vexed question of Lisbon, when the push for a referendum reached its apogee and the people felt that they were outrageously cheated. If there were a Lisbon question once again, and if the facts were the same or similar, could the new clause 9 committee be relied upon to sit and, in making a determination, to ensure that we had a referendum? If

a Government had said in their election manifesto, "We will have a referendum on this matter, the committee will sit, and we will make sure that it recommends a referendum," would the committee then do so? Some people have grave doubts, because of the Whips' system, and that is why the new clause should not be the preferred way.

The Bill's measures on a referendum lock are the way forward. The amendments are all about breaking up that lock, and they would take us back to where we were with the Lisbon treaty, which was rammed through both Houses. The new clause is a concern for that reason. It would water down the referendum lock and leave us with significance tests writ large. Do we want that, or do we want to ensure that the British people have a referendum guarantee? That is very important.

Mr Buckland: Does my hon. Friend agree—I tried to make this point earlier to the hon. Member for Llanelli (Nia Griffith)—that in the new clause there is an absence of any time scale for a report by the committee to the House? In itself, that significant omission would lead to more delay and obfuscation and not deal properly with the matter at hand.

Charlie Elphicke: I agree strongly. That is the risk: the whole thing could be buried in committee. The new clause is also slightly defective, given that it would allow the committee to

"determine its own procedure...broadly in line with...the Joint Committees of the two Houses."

That is not sufficiently precise. I defer to those more expert in how such committees are set up, but I am concerned about the defects in the drafting of the new clause.

The Government's Bill, which the new clause seeks to amend, sets out strict and exact tests on what a referendum would be and details how it would bind Ministers in terms of the law of the land. Those provisions would not be in place if the new clause were passed. We would end up with the classic old Whips' fix, and we would not have the people's guarantee.

I believe—because I am a bit old fashioned—in government for the people, by the people and of the people, that that should not perish from this earth, and that my constituents should have a say on the great matters of our times. Given that, the Bill is important and the right step towards more public power. The people and their sovereignty should be recognised, and they should be given that say, which time and again they have been cheated of—to my mind, unacceptably.

New clause 9 would give Parliament more power; I believe in giving the people more power in our modern age. I do not agree with both Houses of Parliament having a veto on a referendum. I do not think that the House of Lords should have a veto on a referendum, particularly given the substantial concern that recent events have given us about what goes on there.

7 pm

Kwasi Kwarteng: Does my hon. Friend agree that the signal being sent by the Labour party is contemptuous of the electorate? It is trying to set up a committee that, in its good grace, will decide whether the people should have a referendum.

Charlie Elphicke: Yes, I agree. The Opposition are in a fix, and new clause 9 is designed to deal with that. On the one hand, they dare not oppose the idea in principle of a referendum and of allowing the British people to be consulted. They are slightly embarrassed by the Lisbon matter. On the other hand, they do not want to come out and say it. We have what can only be described as a devious amendment to stick it all up in committee. They claim that they are all in favour of referendums, while trying to squash the rights of the British people to have a say in a referendum. That is wrong in principle, but it indicates the Opposition's lack of confidence in their position. It indicates that they do not feel that they are winning the debate on giving the British people a say.

Ben Gummer (Ipswich) (Con): My hon. Friend should not be surprised by that, given that two Members on the Opposition Front Bench orchestrated the coup against Tony Blair, which put an unelected Prime Minister in place, much to the detriment of our nation.

Charlie Elphicke: My hon. Friend makes a fair point.

Mr David: What has that got to do with the Bill?

Charlie Elphicke: That is a very important question. It shows the respect that the new Government have for our democratic process, for consulting the people and for taking bold steps in the national interest—not just bringing Britain back from the brink of bankruptcy, but ensuring that the British people have a say in referendums.

Austin Mitchell (Great Grimsby) (Lab): I want to speak briefly. The hon. Member for Dover (Charlie Elphicke) might have a more sceptical view of Europe living so close to it in Dover, but I agree generally with his views on Europe. He was sceptical about the strength of the committee proposed in new clause 9, but he would also be justified in being a little sceptical about the intentions of his Government, because the Bill is weaker than it needs to be and will not provide the strong defence that I think we need against the further aggrandisement of European power. I say as a warning: do not trust anybody in matters European.

Although I support and will vote for amendment 11, I am puzzled by new clause 9. I am not sure what it means, nor why it invokes so many decision-making processes. I do not know why it does not invoke the Mothers Union and the Privy Council as well.

As with all European debates, this debate has skirted around the main issue, which is that the Government always get their way on matters European and steamroller what they want through the House. This country has a system of government by party, in which the Executive effectively control the legislature. Party loyalty means that, whatever platform MPs are elected on—whether it is Eurosceptic, Euro-enthusiast or "don't care two stuffs about Europe"—they get dragged along by the chariot. Government by party guarantees that.

Europe has a remorseless power to drag us in. It is rather like the conversation between Brer Rabbit and the tar baby—punch it, and we are stuck. The drive to ever-closer union drags us in, because Ministers never want to rock the boat or be disruptive. They do not

[Austin Mitchell]

want to stand and fight on any particular issue. Even the courageous and esteemed Yorkshireman who holds the position of Foreign Secretary is now beginning to say nicer things about Europe in the dulcet tones of his Yorkshire accent. That is a symptom of the way in which this Government are being drawn in. Instead of making a stand on the increase in the budget by 2.9%—it will go up because there are in-built drivers that will make it rise—they accepted the remorseless rise in contributions. The cost of implementing all the regulations must now cost the country about £40 billion a year, which is as big as the cuts that the Government are trying to make.

Each party gets drawn in. Ministers do not like confrontation, so we go down the path remorselessly. I do not know who said, "Talk tough and carry a big stick", but Ministers talk tough and carry a feather duster. They come back from Europe waving the feather duster saying, "I didn't get exactly what the House of Commons or the people wanted. I had to make compromises, of course, so I went along with this. Believe me, it is only a small increase in the power of Europe. We can trust them. This will cause no problems and will be acceptable." Disastrous consequences follow. That is how Europe progresses. In this country, we always discover the extent of the disaster and the damaging consequences of the concessions long after the event. The classic example is the common fisheries policy, which was sold as an accommodation to Europe that would not be difficult or cause many problems.

Kwasi Kwarteng: Will the hon. Gentleman give way?

Austin Mitchell: I am not sure that I should give way to a Member who does not represent a fishing port.

Kwasi Kwarteng: I am very grateful for the hon. Gentleman giving way, notwithstanding my not representing a fishing port. I want to know the position taken by the hon. Gentleman and his party on the idea of the referendum lock. In all his eloquent words, I have not worked out his position on that question.

Austin Mitchell: When the hon. Gentleman has been here longer, he will appreciate that my position is not exactly the same as that of my party's Front Benchers. My position is sensible, austere and Eurosceptic, and I am anxious for the consultation of the people on any matters that involve the sacrifice of power to Europe. We should have had a referendum on the Lisbon treaty—I concede that point. I and other hon. Members argued for it strenuously at the time, but we were overruled. That was a retrograde step that made the treaty and its provisions less acceptable to this country, because the people felt that they were being imposed on them. I am in favour of referendums, and I do not think that the Bill is strong enough in that respect.

Stephen Gilbert: I am grateful to the hon. Gentleman for giving way, and I do represent a fishing port. Does he agree with David Blackburn of *The Spectator* that the Bill

"would introduce a watertight referendum lock on future EU treaties"—

perhaps salt-watertight—

"I doubt whether the Lady herself could have done much better in the circumstances"?

Austin Mitchell: All I can say is that David Blackburn must be more naive than I thought.

I was giving the example of the CFP, which was sold to us as harmless. We were told that it would lead to effective conservation because everybody would be involved, everybody had access to our waters and everybody would make decisions collectively. However, it led to the decimation of our fish stocks and the looting, frankly, of about £3 billion-worth of fish and jobs. There is nothing that we can do about that, because it happened under Ted Heath, who used to come down to the House in every fishing debate and justify his mistake. It is all in the past, and we discovered the problem only later. That is what happens.

My hon. Friend the Member for Llanelli (Nia Griffith) argued that people are not interested in the details, which is certainly true. We in Grimsby are perhaps more interested than people in Wales in all matters European, particularly to do with fishing boats, but people are not interested in details. The consequences of what happens are interesting, however, because they cause the loss of jobs and employment.

There was a provision in the Lisbon treaty—was it article 121?—stating that aid could be invoked by majority vote in the event of threats to the euro from natural disasters. It has now been invoked for aid to Ireland, which will drag us into making huge contributions not only to Ireland—the Chancellor of the Exchequer projected that as a one-off—but to the other states that follow in the domino-like collapse that will happen. The consequences of concessions that are said to be of no damage, of no great moment and unimportant become clear only later. The Bill provided an opportunity to resist that process, but disappointingly, it is not strong enough.

When we consider the amendments, we should view the European situation with a certain amount of scepticism. The committee referred to in new clause 9 would be controlled by the Whips and by Government, whatever we are told about the intentions behind it. I am suspicious of proposals to modify European powers that come from Euro-enthusiasts such as my party's Front Benchers. What is in it for them? They want Europe to have its way, and the new clause is a way of allowing that while appearing to protect us.

I support amendment 11 and shall certainly vote for it if there is a vote—I hope there is, because I want to support it. However, we cannot be sure that, if the House were faced with a choice of whether to reverse a Minister's decision that an issue was not worth a referendum, it would take the decision independently. Debates such as today's give a clue as to what would happen. We happy band of Eurosceptics, including most of the Members present, have argued consistently, been right all along and warned of the consequences of what has happened. Those disastrous consequences have emerged, but nobody has said, "Oh, my God, we should have listened to the Eurosceptics on this matter." People have constantly abused us for rocking the boat and as dissenters and just a nuisance, but we are right, and we are right to fight.

However, we cannot be sure that we will win the fight. Should a matter be referred to the House under amendment 11, the House would be whipped as always

and Members would see their careers relying on voting with the Government. They would think, "I shall get a powerful position even more quickly, as a Parliamentary Private Secretary to the Minister for Bathing Pools, or I shall be given a junior ministerial job in charge of seeing that library books are returned promptly"—if any libraries are left open under the Government's proposals. Ambition, love of the party and support for the party will always whip people into line. Amendment 11 would not put a roadblock in Ministers' way; it would erect another hurdle that they would be forced to jump. That would be salutary for them, because the more hurdles they jump, the more exhausted they will get and the greater the chance that we will eventually prevail.

Neil Carmichael: It is a great honour to participate in this important debate.

Members have mentioned the number of people who come into their constituency surgeries to talk about Europe. I am not overwhelmed with European issues in my surgery, but I do hear a lot of concern about Europe when I go to businesses and large organisations in my constituency. They are getting concerned about regulation, excessive interference and so on, and they think—and are sometimes right to think—that it all emanates from the European Union. It is therefore important that we give due consideration to the need to allow the electorate as a whole to speak about Europe. That is why the Bill is so important. It will, once and for all, stop the disgraceful situation of a Government promising to have a referendum on a significant change—the treaty of Lisbon—and then failing to do so. The Bill will prevent that, and quite right too.

7.15 pm

The Bill will do a few other things as well. It will encourage a better understanding of Europe, because we will discuss it more often and engage the electorate with the issue more comprehensively. They, in turn, will learn more about Europe and our relationship with it. That will be good not just because it will deal with the incorrect assumption that the electorate will not be able to understand a referendum question, but because it will ensure that they become much more interested in what we are doing about Europe.

The same applies to the situation in Parliament. The Bill means that we will pass a lot more Acts of Parliament if and when changes are made to our relationship with Europe. Those processes, taken together, will make us less reactive to what happens in Europe and much more proactive in ensuring that Britain's interests are properly discussed, represented and promoted. The Bill will be really important for that reason.

New clause 9, tabled by the Labour Front Benchers, is a blatant attempt to look good without being good. They are attempting to suggest to everybody that they want referendums, but they are actually suggesting a deliberate mechanism to ensure that they would not necessarily need to have them. That is what it is, that is what it would do, and that is why we must not accept it.

Let us consider the discussions that we had about the treaty of Lisbon versus the Giscard d'Estaing constitution. The Labour Front Benchers attempted to say at the time, and repeated earlier today, that the treaty of Lisbon was not anything like the Giscard d'Estaing constitution. Absolute piffle—that was just not the case. The treaty was a fundamental change, and it required a proper referendum. If Labour cannot get that right, how would the committee that it suggests make any progress? How could it resolve the problems? That answer is that it could not and would not, because it would be subject to the pressures of Government, the whipping system, which my hon. Friend the Member for Dover (Charlie Elphicke) mentioned, and so on. The committee would not have enough teeth, or be cohesive enough, to enforce the approach that we need when it comes to deciding whether we should have a referendum.

To make matters worse, we would be asking Parliament to decide what was substantive and what was not. That is also the problem with amendment 11, which would lead us into trouble and is also unnecessary. As I have said, Parliament will have to pass Acts if there are substantive changes, or any changes at all that affect our relationship with the European Union. New clause 9 is slightly misleading. The Opposition want to look as though they wanted referendums, but the new clause would make it possible not to have them at all, which is wrong.

Martin Horwood: There has been some discussion about the risk of votes being whipped. Does my hon. Friend agree that there is a greater risk of a vote in committee being whipped under the system that Labour Members propose, because the Executive can handpick the membership, than there is for a vote on the Floor of the House?

Neil Carmichael: Yes. My hon. Friend the Member for Dover went through the possible Members who could serve on the proposed committee, obviously with a slant towards those who are participating in the debate and are interested in the European Union. The point is much the same—the committee's membership would matter. The shadow Minister has not explained how it would be formed, managed and so on. However, we can assume that whipping would take place. That is not helpful.

I am also concerned about the role that new clause 9 would give the House of Lords, given the events of the past few weeks. We need to put that down as a marker when considering how the Bill would unfold if new clause 9 were accepted.

My hon. Friend the Member for South Swindon (Mr Buckland) is concerned about timing. He is absolutely right. He is a lawyer, and lawyers love time. *[Interruption.]* I have watched the clocks tick by myself. New clause 9 does not deal with that.

I tabled an amendment to get clarification on what constitutes a decision in the context of the outcome of a European Council meeting. That is important, and I hope that the Minister, when winding up, will explain what sort of decisions we should consider following a European Council or a meeting of the Council of Ministers, and when a decision is actually a decision.

We must acknowledge that the Bill will be seismically important to our relationship with Europe. It will also make a dramatic difference to the way in which the House and the Government deal with Europe in connection with the electorate. Far too often, people have found out about decisions some time afterwards. They have

[Neil Carmichael]

not felt included in that decision making, and consequently and because of their concerns, they have felt angry about the decision.

I am convinced that we will shape a much better relationship with Europe if we have the courage to explain more and to engage people more effectively. The Bill will do that without new clause 9 and other amendments that would stop us from ensuring that Parliament is the first port of call for the necessary key decisions, and that the people are always consulted when those decisions are pivotal.

Kelvin Hopkins: I am pleased to have the opportunity to speak and I apologise to hon. Members for being unable to be present throughout the debate. I was delayed elsewhere in the House on European business.

I want strongly to support amendment 11, which the hon. Member for Hertsmere (Mr Clappison) tabled and to which I was pleased to add my name. He made a powerful speech, which I want to echo and support.

It has been suggested that we might be governed by committees and that big decisions should be taken by a committee. I do not want a committee to make decisions about what is significant and what is not. Parliament should make those decisions, particularly this House. I am a unicameralist and therefore not so concerned about the other place. I believe that we should make the decisions in this House and be accountable to our voters because they clearly and rightly have strong feelings about the European Union.

I do not wish to be governed by judges, either. I worry about the constant reference to matters going to judicial review. I want the House, not judges, to make the decisions. As judges in the Supreme Court in America die, they are replaced by judges appointed by the President. If several judges die or retire at the same time, and a President of a particular persuasion appoints people in his own image, one has, for a generation or two, a Supreme Court that takes a particular view. Let us suppose that Tony Blair had had such a power. He would not have appointed lawyers with my views, but Euro-enthusiasts to a Supreme Court. For a generation, we would have been bogged down by a Supreme Court dominated by people who took a particular view of Europe.

Lawyers are supposed to be independent and to make balanced judgments, but one lawyer commented to me about the European arrest warrant, "Oh well, it's part of the European project, so we just say yes." We should not act in that way. We should consider matters individually, not say, "The euro's part of the European project, let's say yes to it", or, "The CAP's part of the European project, let's just nod it through." We do not do that. Britain has taken a strong position on many things that relate to the European Union, and we should continue in that way.

I agree with my hon. Friend the Member for Llanelli (Nia Griffith) on 90% of politics, but not on Europe. Portraying Britain as the naughty boy or surly youth of Europe, who is always being difficult, is wrong. I think that we are right and they are wrong. We have taken stands on subjects such as the euro, which is now in serious trouble. We are not being anti-Europe. We take a particular view about how economies should be run. I believe that separate currencies are necessary shock absorbers for running economies.

Mr Jenkin: The Maastricht treaty was pushed through the House on the basis of our having an opt-out from the euro, and therefore that it would not affect us. Yet, even though we are not in the euro, we are deeply affected by the disaster that that treaty is inflicting on our continent.

Kelvin Hopkins: The hon. Gentleman is right, and I apologise for momentarily forgetting the name of his constituency—Harwich and North Essex—earlier. I agree with him. We have been right so often. When I argue about the European Union, I do not do that in nationalist or theological terms. I ask people to consider the effects on the European economy, which has grown more slowly than it would have done without the euro.

Mr Cash: Does the hon. Gentleman agree that those who take our position—the Euro-realists—are the pro-Europeans because the people who promote the extraordinarily damaging policies create the massive unemployment, riots and protests that are happening?

Kelvin Hopkins: Indeed. The hon. Gentleman is right again. Many of those who protested most strongly against matters in the European Union are people of the left—trade unions, working-class people, the unemployed, minorities and so on. We should not portray a right-left divide; the debate is about democracy and what works.

Martin Horwood: Is not the lowest unemployment in the European Union in Germany? Last time I looked, it was in the eurozone. Are not the countries that are particularly vulnerable those with large structural deficits? The problem is not particularly to do with their membership of the euro.

Kelvin Hopkins: That is interesting. We could have a long debate about the strength of the German economy relative to other countries in Europe. One thing that Germany wanted from the European Union was to get rid of barriers to its exports, particularly to France. Germany focused its efforts over generations, from Erhard onwards, on wisely ensuring that it had a massive and strong manufacturing base. We have not done that. If we had shown more of an Erhard approach to our policies—and Erhard was no socialist, but a Christian Democrat—we might have had a stronger economy.

As part of the post-war settlement, it was important for the west that West Germany—like Japan—succeeded, so it was allowed for a long time to have an undervalued Deutschmark, which gave it a competitive edge, behind which it built massively strong industries. That is the history. If one looks at the documentation—I used to write and read a lot about such things—one will see that the German surplus was a problem even in the 1970s. It has managed to sustain that for all that time, which was wise. Had we been a bit wiser, we might not have been in quite the weak position that we are in now. Every second car driving along the road is made in Germany, but where has our motor industry gone? We still have some of it, but it is nothing like Germany's. Germany has been very clever, and I cannot blame it at all.

7.30 pm

Anyway, we are not debating that tonight. My concern this evening is to ensure that this Committee decides what is significant when it comes to whether to hold a referendum. Ministers are parts of Governments, which are always under pressure. Many Ministers are fine people, but in the end, they must go along with what the core of the Government decides. Ever since I was a student more than 40 years ago, the two things that I have criticised are secrecy and the excessive centralisation of power, particularly in the Prime Minister. I read a book when I was a student called "The Elected Monarch", which is about the position of the British Prime Minister. We must rebalance the power of the legislature relative to the Executive, which is why the House of Commons should vote on whether a matter is significant enough for a referendum. That should not be decided by a Minister, a Committee or a series of judges.

Kwasi Kwarteng: What does the hon. Gentleman say to the idea that even if amendment 11 were made, it would not bolster parliamentary sovereignty, because Government Whips will just whip through decisions about what is significant?

Kelvin Hopkins: The hon. Gentleman seems to be saying that everybody does what the Whips tell them, but that is not the case. If he looks at the history of the 13 years of Labour Government, he will find that there were rebellions—significant differences of view between certain Back Benchers and the Whips—on many serious votes, the most important of which was perhaps the Iraq war, when 139 Members, including me, voted against the Government, despite the Whips.

Kwasi Kwarteng: What was the result?

Kelvin Hopkins: The decision in favour of going to war was made with Conservative support. In the end, we are accountable not to the Whips. Clearly, we have a party system, and we are elected as party politicians, which I understand. By and large, on most things, we are guided by the Whips, but on some matters of fundamental principle, such as giving further powers to the EU or going to war, we must say, "What I believe and what I believe my electorate want is more important even than what the Whips advise." I hesitate to say that while my Front-Bench colleagues are listening, but in the end, we must occasionally take a stand.

Mr Cash: On the anniversary of Winston Churchill's death, will the hon. Gentleman accept what he said, which is that country comes first, constituents second and party third?

Kelvin Hopkins: We must take all those things into account when we make our decisions, but we make those decisions and stand by them, which I like to think I have done. I have regretted one or two things, but the hon. Gentleman is right. In defence of two-party Government—or our party system—I do not believe that we are elected as individual anarchists. We are here to represent a philosophy and interests in society. I am not by nature an anarchist; I am a collective democrat. That is where I stand.

The most important aspect of amendment 11, which is in the name of the hon. Member for Hertsmere, is that it would have an impact on the EU, which the hon. Member for Stroud (Neil Carmichael) mentioned. If the EU wants to push something through that it suspects will be unpopular in this Parliament, it might not proceed if the provision in the amendment were in force, whereas if it thinks it must win over only the Minister, the Prime Minister or the Executive, it might think it will get away with it. If it knows that its proposals are likely to go to a referendum and that their significance will be voted on by the House, it will be a little more careful.

That impact on the EU is more significant than giving decisions to ourselves because we like to make decisions. The EU will be much more careful about its proposals if it thinks that they might be subject to a referendum in Britain, because it knows very well that the justifiably strong degree of Euroscepticism will come to the fore, that there could be a problem, and that it might not win. If the EU thinks that there is a chance of not winning a referendum, it will not risk it. A referendum is much more likely to be risked if a decision is made in this House rather than by the Minister. That is the way of things.

Finally, I want to draw a parallel. I mentioned the excessive centralisation of power in British politics, particularly in No. 10 Downing street, the Prime Minister and his little entourage, but the other thing that is wrong is secrecy. I was a strong supporter of the Freedom of Information Act 2000. When it was going through Parliament, the Government proposed an amendment to the effect that we could have freedom of information except when the Minister says no. My good friend Tony Wright, the former Member for Cannock Chase and Chair of the Select Committee on Public Administration, led a rebellion. We did not win, but we made our point. He was very much a politician of the moderate left who would go along, by and large, with the leadership—he was not as critical as I was. He was an architect of that Act, and quite strongly in favour of it, but he was quite shocked when that qualification was proposed. Ministers are fine people who do a great job, but in the end, this House must make serious decisions about things, not just Ministers. I very much hope that the hon. Member for Hertsmere presses amendment 11 to a Division, and I certainly wish to vote for it.

Nick Boles (Grantham and Stamford) (Con): I should like to share with hon. Members why I think the Bill is the most significant thing that the Government will do in this Parliament. The House knows that I am a strong, enthusiastic supporter of the Government. I cheerfully look forward to voting for the Localism Bill, the education Bill, the Health and Social Care Bill, and many others that we will debate in next few years, but I do not exaggerate it when I say that this is most significant thing that we will do, because it is the "Thus far and no further" Bill.

Hon. Members on both sides of the Committee have said that this Bill will start a debate on Europe in the country, but they are wrong. The country has had its debate on Europe. It made up its mind a very long time ago, and said, "Thus far and no further." Unfortunately, Parliament and previous Governments did not listen to the country and did not understand that that is the country's decision. They continued to try to evade the will of the people by ratifying treaties of which the people wanted nothing.

[Nick Boles]

The Bill is the Bill that says, "We have finally listened. We finally understand, and we will not put through any treaty, or any change or shift in sovereignty and power, that you, the people, do not want." That is why I believe —only somewhat mischievously—that the Bill should be viewed as a tribute to the indefatigable efforts of my hon. Friend the Member for Stone (Mr Cash), who sadly is no longer in his place. Although he and I disagree on many things—I will go on to say why I disagree with his amendments—it is clear that his achievement in the Bill is greater than the achievement of almost any Back Bencher I can remember, and probably greater than almost any Minister any of us can remember. For nearly 30 years, he has led the campaign to say, "Thus far and no further!" Tonight and on future nights when we debate the Bill, he will get his way, and he will have given to the British people what they want and what he has always wanted to give them—the right to say, "Thus far and no further!" Were he not quite so hale and hearty and not quite so obviously going to survive and outlive me—he will still be here long after I leave this place—I would even go so far as to suggest that the Bill be called the William Cash memorial Bill.

Having made that case, I want to say why I believe that the Opposition amendments are damaging in so many ways. Their amendment 85 is a poison pill—a poison pill coated in the sweet chocolate of parliamentary sovereignty and power, but a poison pill nevertheless. By moving the amendment, they are trying to seduce the great defenders of parliamentary sovereignty on the Government Benches into creating the possibility for them in the future to undo and reverse the effects of the Bill. They know that if they refer a decision to this committee of theirs, there is a chance—they cannot absolutely be certain who will be on it or how it will vote—that they can control it, whereas they know for a fact that there is no chance of controlling the British people. That is why their amendment is pernicious and insidious. That shows the view the Labour party has of the views of the British people on this great issue. It is that approach that informed its entirely insincere promise of a referendum on the European constitution—happily just before an election—and the attitude that led it to scuttle around, to persuade its European partners to take out a couple of things, to rename it a "treaty" and then to declare that there would be no referendum after all.

Government Members, as well as Opposition Members such as the hon. Member for Luton North (Kelvin Hopkins), who is so brave and forthright on this issue, should not be fooled by the amendment. I know that we are not allowed to call amendments "wrecking" amendments, but this amendment surely is designed to undermine the entire purpose of the Bill.

James Wharton (Stockton South) (Con): Does my hon. Friend agree that it is exactly this sort of parliamentary fancy footwork that has undermined the public's trust in this place to deal with European matters?

Nick Boles: I agree wholeheartedly with my hon. Friend. Indeed, one of the most important things about the Bill—this has been eloquently addressed by my hon. Friend the Member for Dover (Charlie Elphicke) and others—is that it is an important step in rebuilding the trust of the people in Parliament to do, broadly speaking, what the people want, especially on great questions of independence and the constitution. It is vital that we do this. That is why it is so important that the Bill sets out in such painstaking detail exactly which changes will lead to a referendum. Frankly, we cannot ask people to trust us on this anymore. We, as a class—not just a party—cannot ask people to take our word for it when we say that there will be a referendum on anything. If they are to believe us, we need to put it into law, take it through both Houses of Parliament and make it very difficult to go back on.

7.45 pm

That leads me neatly to the amendments tabled by my hon. Friend the Member for Stone. He believes that they would make yet firmer the protection of the people's right to a referendum on European changes. I fear that in his enthusiasm for this cause of his, which has lasted so long, and in his commitment to the fight for our country's independence, he is in danger of not being able to take yes for an answer. Finally, he has the Bill that he wanted so much, but he is suspicious of every little compromise and every little attempt to make it workable. I fear that his amendments will actually make the Bill much, much weaker and much less likely to survive. By suggesting that there be no exemptions to the requirement for a referendum, he is suggesting that we end up paralysing the European Union for all its members.

I can understand the appeal of that to some of us—some of us might want to get our own back on this project for all the iniquities that it has inflicted on us—but would that not produce a diplomatic crisis that would lead to monumental pressure on future Governments, including perhaps a Labour Government, to amend, or even repeal, the Bill? A number of Members have talked about seeking to bind the hands of our successors—but we all seek to bind the hands of our successors. Every Act of Parliament seeks to bind the hands of our successors; it is just that, fortunately, we cannot insist on it. We try to do it by making legislation part of the settlement, the culture and habit of this place and our country. We are trying, therefore, to bind the hands of our successors with the Bill, but if we manacle ourselves to something unreasonable, we will make it easier for a plausible future leader of the Labour party to stand up and say, "This Bill is ruining our relations and undermining our trade with Europe, and it has to go." We must not give them that opportunity.

That is why I hope very much that my colleagues, who like me are rejoicing in the fact that we are finally listening to the British people, will reject the amendments tabled by the Opposition Front-Bench team and my hon. Friend the Member for Stone, and vote for this magnificent Bill.

George Eustice (Camborne and Redruth) (Con): I have been a long-standing supporter of referendums and the role that they can play in strengthening our democracy. My first role in politics was campaigning for the Referendum party, way back in 1997, in favour of a referendum on the euro. The reason why I think that referendums really can work is that they bring some brutal common sense from the British public to

complicated debates. They are also cross-party campaigns. I remember campaigning against the euro—it is great to see the hon. Members for Luton North (Kelvin Hopkins) and for Great Grimsby (Austin Mitchell) in their places—and that was a cross-party campaign. That can be incredibly important for our democracy. It is good for the public to see politicians from different parties working together on issues where they have a shared conviction, rather than simply campaigning across party lines. For that reason, referendums can be incredibly important.

It is also important to note that referendums are about issues rather than personalities. We hear a lot of people complain these days about personality politics and the presidential nature of certain elections where it is all about the tie or the suit that the politician is wearing, rather than the issues that they stand for. Referendums cut right through that. They are about the issue, and people focus on that issue rather than on politicians. For all those reasons, I think that referendums have an incredibly important role to play in strengthening our democracy, and I welcome this step forward.

I listened intently to Opposition Members' contributions about their new clause 9. I was struck by the comment from the hon. Member for Llanelli (Nia Griffith) that there was referendum fatigue. Well, the last referendum we had on Europe was in 1975, when I was about four years old, so there is hardly fatigue with European referendums. In fact, the situation is completely the reverse. The opinion polls were clear: the public wanted to have their say on the Lisbon treaty, the euro, the constitution and all the major treaties that went through, but they were denied that say.

I take issue with the hon. Member for Caerphilly (Mr David), who claimed that the EU is well down people's list of priorities and that we should therefore not have a referendum on EU issues, because what really motivates people are issues such as education and the economy. He is absolutely right that the EU is very low down the list of things influencing people's voting intentions in a general election: polls show that it is around 12th or 14th in people's lists of priorities. However, that is exactly why we must have referendums on such constitutionally important issues. People do not hold Governments to account on such issues at the ballot box, because there are bigger issues at the forefront of their minds. However, as the hon. Member for Luton North made clear, that does not mean that such issues are unimportant. They are vital constitutional issues that have a knock-on effect on a range of policies. The only way to get public discussion and engagement with European issues is through a referendum. We would then get a discussion that simply would not happen in a general election.

A lot has been said about the problem of binding future Parliaments, and about how having such referendums would be unconstitutional. However, that misses a crucial point. The fact is that ever since the European Communities Act 1972, Parliaments have indeed been bound. There has been an open door for encroachment by the EU into the UK's legal system. That is why we need to rebalance the position. We need a bulwark against the 1972 Act and those Acts that followed it. We need something that will act as a brake. I do not think that what is proposed would weaken Parliament; rather, it would strengthen it, bringing it much closer to the people whom Parliament should represent and dealing with the problem caused by the 1972 Act.

I also disagree with those who say that people do not understand or that the public are too ignorant to deal with such issues. There is no evidence of that. If we had a referendum on such issues, both campaigns would need to distil the arguments down into a clear set of messages, but sometimes that is what is needed.

Claire Perry: Like my hon. Friend, I listened to the opening speeches from both sides of the Committee. Was he struck, like I was, by the fact that Labour is not only the party of deficit denial, but the party of referendum refuseniks?

George Eustice: Yes, my hon. Friend is absolutely right.

Mr John Spellar (Warley) (Lab): Will the hon. Gentleman remind us which party has given the country a referendum on the European Union?

George Eustice: I give credit to the Labour Government of some 35 years ago for giving us that one and only referendum.

Mr Desmond Swayne (New Forest West) (Con): I was there, and I recall campaigning for a no vote and voting accordingly in the referendum. Although the right hon. Member for Warley (Mr Spellar) is quite right that the then Labour Government offered us a referendum, they then campaigned against. No Bill is perfect, but the reality is this: whichever treaties we may have signed up to, each and every one would have been caught by the provisions of this Bill, thereby generating a referendum. That is a powerful procedure to put in place for the future.

George Eustice: I am grateful to my hon. Friend for raising that issue, and I completely agree with him. I know that some on the Government Benches are concerned that the Bill does not go far enough and that there may be ways for future Governments to circumvent its provisions. However, as someone who has been a staunch Eurosceptic for 13 years, I have to say that we have waited a long time for such legislation. I believe that the Bill offers an incredibly strong lock, which will apply to any transfers of power. Indeed, clause 4 gives a list of no fewer than 13 circumstances in which a referendum would automatically be triggered. It is important that people recognise that and, on this side of the Committee, realise that the glass is not half-empty; rather, in my view, it is almost full to the brim. Of course there are areas where one might say the Bill could be improved, but it is fundamentally an incredibly good Bill that we should be getting behind.

Chris Bryant (Rhondda) (Lab): I think that the Bill is a load of hogwash but, be that as it may, does the hon. Gentleman think that if Turkey is to accede to the European Union—in which case there would have to be an accession treaty, which would have to go through its processes in the UK—there should be a referendum in Britain?

George Eustice: No, I personally do not agree with that, and there is a good reason why. What the Bill should aim to do is prevent the handing over of power from this country to the European Union. I want

[George Eustice]

sovereignty for this Parliament; I do not want this Parliament to interfere in the decisions of other countries. However, once we start saying that we should have a veto on the accession of countries such as Turkey, we start to get into that territory.

Mr David: How would a referendum on accession be an interference in, let us say, the governance of Turkey?

George Eustice: Because rather than allowing such countries to join—and we have already expanded the number of countries in the European Union—we would then be saying that every country should have a veto on future accessions. I do not think that that is right. Let me also just say that Turkey is a moderate, Muslim country, and a great example of a successful secular democracy, which we should be supporting and encouraging, rather than sending signals that suggest that we are against accession.

As I have said, I have campaigned for referendums for a long time. In my time campaigning against European integration, it is fair to say that I have seen a lot of referendums promised and then subsequently taken away.

Geraint Davies (Swansea West) (Lab/Co-op): I am interested that the hon. Gentleman would not agree to a referendum on Turkey, which is a simple proposition for the British public. Would he have agreed with a referendum on, for example, the establishment of the European Systemic Risk Board or the European Securities and Markets Authority, or on authorities affecting occupational pensions and so on? Those changes have created pervasive powers across Europe over our financial systems, so they are important. Is he saying that he would have referendums on those authorities, which are quite complicated to understand, but not on whether Turkey is in or out?

George Eustice: It depends: if there was an extension of competences, then yes, of course.

Coming back to the areas where those now on the Opposition Benches have promised referendums, we have to look at what drives first the promise of a referendum and then the withdrawal of that promise. Back in 1997, the only reason this country was promised a referendum on the euro was that the Referendum party stood for election, posing a threat to the then Conservative Government and the Labour party. For that reason, both parties promised a referendum. As it turned out, that promise was the only thing that kept this country out of the euro. What did we have after 1997, in the first few years of the Labour Government? We had years and years of speculation about whether there would be a referendum. I can remember working on the anti-euro campaign and looking at what the media were saying. There were dozens and dozens of stories—we added them up—that opened with the line, "In the strongest signal yet that Britain is going to join the euro, Tony Blair has signalled that a referendum is just round the corner." Let us remember all the acres of coverage and the huge sum of money that was spent analysing those five so-called tests, when all along they were simply a political fig leaf.

Then we had the European constitution. A referendum on it was promised, but for no other reason than the political interests of the Labour party. Labour was concerned about the threat to its position in the 2004 Euro-elections, and for that reason—that is, simply for tactical, self-interested reasons—promised a referendum out of the blue. Having got those elections out of the way and having won in 2005, Labour then withdrew the offer of a referendum on the EU constitution and the Lisbon treaty. We were then subjected to a further couple of years of endless talk about Tony Blair's red lines and what the Government were doing to protect the national interest, with endless speeches trying to explain why the Lisbon treaty was not the same as the EU constitution, when to all intents and purposes it was. Throughout all that, the decision on whether to hold a referendum on those issues was dictated by political interest and calculation, and we need to move on from that.

Countries such as Ireland have done this much better than we have. How sad it is that, all too often, we have had to rely on the people of the Irish Republic to stand up for the interests of European people. Why have we not been able to hold referendums as automatically as they have been held in Ireland?

8 pm

Mr David: I would like to put a pretty fundamental question to the hon. Gentleman. If a Government were to say, "There will not be a referendum during this Parliament, because we will not introduce any measures that would trigger one," what would be the point of this legislation?

George Eustice: I am not sure that I understand the hon. Gentleman's point. If any major transfer of power from the UK Parliament to the EU were proposed, a referendum would automatically be triggered.

Mr Swayne: I certainly understand the thrust of the argument. Is it not the case that any future treaty revision will be constrained by the understanding that there would be a referendum in the United Kingdom that it would be impossible to win? Would not that, in itself, exert a powerful discipline on the development of the European Union, in that it would need to either curtail its ambition or, more importantly, make an accommodation with the British people and the British Government that was more in line with what we thought we had joined in 1975?

George Eustice: My hon. Friend makes a valid point. Having this legislation in place will change the nature of the pressure on the Government and influence their negotiating position.

I want to talk about the concerns that have been expressed about the "significance" clause. I recognise the argument of those who suspect that it might give Governments a way out, so that they could backslide away from a promise to hold a referendum in certain circumstances. I do not buy into that idea, however. I agree with what Martin Howe, QC, a distinguished Eurosceptic, has said on this. He has spent years studying these issues. If we want to make this legislation durable, and if we want it to last more than five years and to become an established convention, we need to ensure

that there are no excuses that a future Government of a different party might be able to use to repeal it. There is a presumption that holding lots of referendums on very small, insignificant issues would give our opponents an excuse to repeal it, and we really cannot accept that.

Geraint Davies: Does the hon. Gentleman think that there should be a limit on the number of referendums held over a particular period, given that they could result in a certain weariness among the electorate, as well as incurring a certain cost? Does he also think that referendums should be binding if they do not achieve a certain turnout of the electorate?

George Eustice: If there were fatigue because we were holding too many referendums, that would mean that we had been attempting to pass too much power to the European Union. I hope that the requirement to gain public consent for handing any such powers to the European Union will dissuade Governments from recklessly throwing away the power of this House.

There is a lot to commend amendment 11, and I have listened with great interest to the debates on it today. It is far superior to new clause 9, in that it does not attempt to water down the pledge; it provides it with an extra belt and braces. It would apply only when a Minister judged that a change was not significant. When such a judgment was made, Members of Parliament would have to support it. That proposal has a lot going for it. It would strengthen the presumption in favour of holding referendums. For all those reasons, I am quite attracted to the amendment.

I listened carefully to what my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) said earlier about the fact that the proposal might make it less easy to have a judicial review. He suggested that a motion in the House might undermine the chances of a judicial review. That was a valid point. I was not convinced, however, by the argument that a better way to deliver this would be to table an amendment to the Act of Parliament that would be required in relation to the referendum. We all know what happens to the majority of amendments that are tabled in the House. We have only to look at the amendments tabled to this Bill to understand that. The immediacy of the proposed motion, linked to a statement by a Minister, has a lot going for it. Having said that, I also understand the counter-arguments regarding judicial review.

The Bill does exactly what Eurosceptics have wanted for a very long time, and we should stand behind it all the way. I completely reject new clause 9, because it is an almost weasely way of getting round the purpose of the Bill. It would significantly water it down, taking power away from the voters and giving it to politicians. The idea that some committee of 19 people should be the arbiter of these matters rather than having an automatic trigger for a referendum is absolutely crazy. I completely reject the new clause, but I believe that amendment 11 has a lot going for it.

Michael Ellis: I welcome the Bill. I embrace it with open arms; I actually cherish it. It goes further than any other piece of legislation to check the further encroachment of European power and hegemony into the United Kingdom. It ought therefore to be embraced as the landmark Bill that it actually is. Many people in Britain feel disconnected from how the European Union has developed and the decisions that have been taken in their name over the past few decades. Someone would now have to be in their 50s to have had the opportunity to vote on a European Union issue in the United Kingdom. It is time that a check was made on the ever-increasing and ever-encroaching power of the European Union, and this Bill does that in a way that has never been done before by any Government of any hue in this country.

The Bill gives people more control over the decisions that Governments have tended to make. It also provides for a referendum lock over future powers. People in this country are tired of the European Union telling us that we must have straight bananas or not use imperial measurements. Ironically, it is the European Union that has been imperious in its outlook for some considerable time. I recognise the Bill as a measure that will, at last, provide a check to that ever-encroaching power, and I welcome it with open arms.

The Bill requires the consent of the British people, through a referendum, for any proposed treaty change. It goes further, however. It is not just about treaty changes in the big sense. So-called mini-treaty changes would also require the people's consent, and even bridging clauses would activate the referendum requirement. It is a substantial and sizeable measure, and I agree with the point made earlier that my hon. Friend the Member for Stone (Mr Cash) can claim considerable credit over many years for standing up for the British parliamentary sovereignty that we cherish so much. I congratulate him on that.

Geraint Davies: The hon. Gentleman mentioned parliamentary sovereignty, but does he agree that the Bill is tantamount to an abdication of parliamentary sovereignty? Instead of taking the decision here to veto a change in Europe, we are simply passing the ball to the general public, who might find some of the complexities—the hon. Gentleman mentioned the sort of nuanced changes that can be made to treaties—difficult. To be fair, people come to this House with a knowledge of and focus on these issues and what we are doing is throwing away that sovereignty. An Irish referendum might end up being decided on the issues surrounding abortion, for example, which had nothing to do with the case in point. It is absurd.

Michael Ellis: It is extraordinary—although not surprising from Labour Members—to hear that the general public should not be consulted on these matters. This Parliament derives its authority from the public, which Labour Members would do well to mention.

Geraint Davies: It would follow, then, that we should have a referendum on every Bill we pass and every decision we take. The hon. Gentleman's position is absurd and untenable.

Michael Ellis: This Bill is about checking the European Union in its encroachment of sovereign powers. It is not a routine measure, such as the ones the hon. Gentleman mentions. It is not an abrogation of the rights of this Parliament to give the people a referendum to prevent further encroachment of sovereign powers.

Kwasi Kwarteng: My hon. Friend is making the point—the hon. Member for Swansea West (Geraint Davies) seems not to have absorbed it—that on the issue of

[Kwasi Kwarteng]

European politics, the House of Commons, our Parliament, is simply not trusted. Time and again, as my hon. Friend the Member for Camborne and Redruth (George Eustice) pointed out, we promised referendums, but failed to deliver them. In this specific case, it is quite right to have a referendum lock on any further treaties. This is not an argument for having referendums in general, but a specific point about our relations with Europe and the capacity of this country's people to make their views felt. I think that the public generally feel that the House and the political class as a whole have been bad at listening to them. The idea that we are abrogating responsibility through this referendum is foolish. What we are trying to do is to re-engage with the public.

Michael Ellis: My hon. Friend is quite correct: this is not an abrogation, but a reaffirmation of people power. In enacting the Bill, this Parliament, which represents the people, will give the public the rights for which they have been screaming for so long over further EU encroachment.

Claire Perry: Does my hon. Friend agree that the hon. Member for Swansea West (Geraint Davies), in representing 50% of the Labour Back-Bench Members who have bothered to show up for this debate, perhaps demonstrates the disdain with which the Labour party regards the Bill and Parliament, proving once again that Labour Members do not believe in listening to the people on such crucial matters as our constitution? I would prefer to see referendums on many more issues, including abortion, which was mentioned by the hon. Gentleman. We should not be scared of the voice of the people in the way that the Labour party so clearly is.

Michael Ellis: My hon. Friend is quite right; I entirely endorse what she says.

Geraint Davies: I am very grateful to the hon. Gentleman for generously giving way again, but I must correct the record here. I am completely in favour, for example, of the March referendum in Wales on the extension of legislative powers to the Welsh Assembly, and I am in favour of having referendums on other devolution issues. I am not against referendums in themselves; what I am against is having endless referendums on every little change in Europe. People in Parliament are more empowered and more informed to be able to take those decisions. That is why I view it as an abdication of sovereignty.

Michael Ellis: The hon. Gentleman should read the Bill; it is not about every little change, but "significant" changes. The reality is, as hon. Members demonstrated earlier, that the general public have, sadly, lost faith and confidence in this institution on the issue of Europe. They had been led to believe—by no less than the Labour Government in respect of the Lisbon treaty—that they would be given a say prior to the Bill, but they were not given the referendum they were promised. In fact, it is clear that the promise made was insincere. That has gone some way towards alienating the general public from the legislative assembly of this country. Now we need to satisfy the general public that they will have a say in any further encroachment of EU power.

8.15 pm

Mr David: The hon. Gentleman said earlier that the Bill was about giving this country's people a voice on significant changes. I have already tried to ask the Front-Bench team, but the Minister would not respond, so let me try again to ask about the Government's rationale for deliberately excluding one of the most important changes that will affect the European Union and Britain—the accession to and possible membership of the EU by Turkey. Why is that excluded?

Michael Ellis: With great respect to the hon. Gentleman, a new country—whether it be Turkey or any other—joining the EU does not mean that more decisions will be shifted to the EU. Nor does a new country joining the EU mean the giving up of vetoes. That is the difference. Conservative Members have always supported the widening of the EU, and a wider EU has changed it for the better by bringing in free-market allies such as the Czech Republic. I hope and expect Turkey to join, and I would encourage it to do so.

Sarah Newton (Truro and Falmouth) (Con): Does my hon. Friend agree that in the event of Turkey joining the EU, we—unlike Labour Members—can exercise the transitional arrangements. If there are concerns about a great deal of people coming into this country, we can put limits in place, as indeed our colleagues have done in other European countries. That is something that Labour Members abysmally failed to do when they were in government.

Michael Ellis: That is absolutely right. Conservative Members have learned lessons from previous enlargements and we will not allow full free movement of workers from all new members, carte blanche, as soon as they join. We should require, it seems to me, complete fulfilment of all the membership criteria, particularly on criminal justice enforcement, for example. Labour messed up on that previously and this country suffered.

I respectfully submit that there has previously been a fundamental lack of understanding of sovereignty issues in this country. One example I would venture to provide is Labour's creation of the Supreme Court. The very name is a misnomer, I submit, because in this country the law is not as it is in the United States where the American Supreme Court in Washington DC is empowered to say that the Government's legislation is unlawful and to strike it down. The US Supreme Court can overrule Congress, but in this country Parliament is sovereign. Labour thus showed a fundamental misunderstanding of the British constitution when it called the institution that took over from the House of Lords judicial committee "the Supreme Court". The law in this country is not supreme; Parliament is supreme and Parliament gives the law its authority, not vice-versa, unlike under the American system.

That brings me to clause 18, which is crucial and reaffirms that Parliament has ultimate sovereignty over European law.

Mr Cash: I take issue with my hon. Friend on that, simply because we had a significant debate on it and the European Scrutiny Committee took a completely contrary view.

Michael Ellis: I was not present for that, so I shall forbear making further reference to the matter.

The Labour amendments to the Bill are nonsensical. They seek to take away power from the people, and even from the House. They seek to empower a committee, and it was Winston Churchill, I think, who said that wars are not won by committee, and nor would this type of legislation be won over by committee. With great respect to the Whips, such a proposal would involve them having greater sway, over how a committee might be constituted and what might result from it. The public need to be satisfied, and a referendum will at last satisfy them that they will have a say. Labour's suggestion of involving a committee is erroneous and on the wrong track entirely.

I am also anxious that other amendments do not weaken the Bill. Amendments tabled by my hon. Friends might have the opposite effect from that which is intended. By creating too strong a test as to what is substantial, and requiring a referendum on almost any issue, we might bring European Union institutions to a standstill—[HON. MEMBERS: "Hear, hear."] That might be the wish of hon. Members, and I respect that, but I do not agree with it, as it is not the way forward. Subsequent Governments—not Her Majesty's Government as currently constituted, who would never buckle under such pressure—might be put under disproportionate pressure from other member states of the European Union to alter and interfere with the Bill once it is on the statute book. With respect to hon. Friends who take such a view, that might indirectly have an effect of weakening the Bill and leading to diplomatic crises.

On the significance test, Labour seeks to have a significance test on everything, which would not work. I was fascinated by one Labour amendment suggestion to give greater power to the other place. I venture to suggest that it is 100 years since the House of Lords has had greater authority than the House of Commons, yet the Labour party proposal of a veto on a referendum is tantamount to giving the unelected House of Lords, illustrious and greatly respected though it is, a right over and above that of the House of Commons. That would be an entirely unhealthy position. The Labour party does not dare oppose the principle of the Bill, as it knows it will have the support of the vast majority of members of the public, but nor does it want to accept it, as it wants to oppose for the sake of opposition.

The Bill sets out 44 vetoes, 12 decisions and eight different ways of increasing the European Union's competences, and there will not be a significance test on any of those. One would hope that that would have the effect of placating those on the Government side of the House who are concerned about the significance test.

Mr David: Does the hon. Gentleman not accept that it would have been far better if the Government had adhered to the Conservative party's election manifesto and begun to repatriate legislation?

Michael Ellis: I am afraid that that is not relevant to the Bill.

Matthew d'Ancona has said:

> "Imperfect though it may be, the bill is a dramatic punctuation mark in the history of Britain's relationship with the European Union."

Opposition Members ought to accept that. They ought to acknowledge that the Bill is a ground-breaking, landmark piece of legislation which will do that which has not been done in this country for decades, and give the general public the rights that they so obviously desire in relation to the European Union and further expansion of its powers.

Martin Horwood: Thank you for calling me, Mr Brady. It is a pleasure to serve under your chairmanship for, I believe, the first time.

Let me begin by saying, as a Liberal Democrat, that my perspective on Europe is subtly different from that of some of my Conservative colleagues. However, I am at one with them in believing that the debate is crucially important, and that it goes to the heart of our democracy at both United Kingdom and European Union level. I think it important for these issues to be debated.

It is a matter of some pride to me that most of the robust intellectual debate seems to have taken place on the coalition Benches, although there have been some quality interjections from Opposition Members, most of whom are not present now. Partly for that reason, I think that amendment 11 is unnecessary. Every treaty change suggested in the Bill will be subject to debate and vote in the House. As was pointed out by the hon. Member for North East Somerset (Jacob Rees-Mogg), who is no longer in the Chamber, an Act of Parliament is the ultimate constitutional lock. It is unlikely that the Whips could somehow force through such proposals, especially given what has been said today. One of the healthy features of the coalition—I say this with the most deferential respect to my very good and right hon. Friend the Member for Orkney and Shetland (Mr Carmichael)—is that the Whips do not seem to have quite such a stranglehold on debates and votes as they did in the last Parliament, of which I was a Member—

Mr Cash *rose—*

Martin Horwood: I see no signs of the hon. Member for Stone (Mr Cash) giving way to the Whips on anything. Meanwhile, I happily give way to him.

Mr Cash: Leaving that aside, let me suggest that, according to the sequence of events provided for by the excellent amendment tabled by my hon. Friend the Member for Hertsmere (Mr Clappison), the question of the Minister's motion and its approval by Parliament will arise before Third Reading, and almost certainly before Report. For practical purposes, therefore, the House of Commons will have decided the question. Surely the hon. Gentleman is not honestly suggesting that, its approval having been required, Parliament would vote against the proposal on Third Reading. Surely that would not make sense.

Martin Horwood: I do not quite follow the hon. Gentleman's argument. I suspect that the Minister's decision would almost certainly precede even First Reading. Following the introduction of a Bill and after the Minister had decided whether the proposed change was significant, it would be up to Parliament to amend the Bill and call a referendum if by any chance it considered that necessary. As has already been pointed out, this Parliament cannot bind its successors.

[Martin Horwood]

In view of the time, I intend to concentrate on the amendments tabled in my name, but I also want to say a little about the Labour amendments. The hon. Member for Caerphilly (Mr David) said, rather harshly in my view, that the coalition was displaying—I think that I am quoting him correctly—weak-kneed, ill-thought-out populism. May I indulge in a gentle return of serve? The Labour party seems to have tried to find some reasons to oppose a Bill that it obviously wishes it had thought of first, come up with a number of reasons that appear to be mutually contradictory, and settled on the grand solution of a committee that it cannot explain.

I think that if anyone is guilty of ill-thought-out populism, it may be Labour Members. As has been eloquently pointed out by the hon. Members for Stroud (Neil Carmichael) and for Daventry (Chris Heaton-Harris) and many others, Labour's proposed committee would make things less transparent and less democratic. A real habit of the previous Labour Government was removing powers from primary legislation and handing them to committees, to commissions and even to Ministers. These things were not coming back to this place to be voted on; they were often disappearing altogether.

8.30 pm

Geraint Davies: Does the hon. Gentleman accept that if the number of referendums available in this Bill were available to every country in the EU, the EU would grind to a standstill—the situation would be completely ridiculous? How can he be an honourable Liberal Democrat and support that?

Martin Horwood: The hon. Gentleman might want to listen to the rest of my speech, because there is some risk of what he describes, and that is the thrust behind our amendments.

Amendments 67 and 68 may look drastic to some of our Conservative colleagues, because they seem to remove a swathe of the referendum provisions from the Bill. However, they seek to tease out the rationale for the referendum lock in the case of amendments to the treaty on the functioning of the European Union using the simplified revision procedure. The amendments do not relate to referendums on changes to the treaty on European Union or even to referendums on changes to the treaty on the functioning of the European Union that do not use the SRP. So the amendments do not seek to remove referendums altogether from this Bill; they ask whether referendums on treaty changes under article 48(6) of the treaty on European Union—the simplified revision procedure—which, after all, was created for relatively uncontentious and insignificant changes in the functioning of the European Union, are really justified.

As a small aside, may I ask the Minister to explain why "transfer" of power or competence "to" the EU is used in the explanatory notes and in some of the language associated with the Bill, rather than "pooling" or "sharing" powers and competences "with" the European Union, which has been the established language until now? To those of us who are fairly relaxed about pooling sovereignty and powers with the European Union when it is right to do so, "transfer" sounds a slightly more pejorative term and its use an example of linguistic drift.

Mr David: The use of the language is important, because the rhetoric has changed and the Opposition contend that the substance has not.

Martin Horwood: That stretches credibility somewhat. The hon. Gentleman has heard in many eloquent speeches from Members on the Government Benches how important the Bill is to our relationship with the European Union and how it offers the possibility of reconnecting the British public with the decision-making processes in the European Union. It is beyond doubt that the Bill will be a significant piece of legislation.

Mr Jenkin: The hon. Gentleman asked the Minister why the Bill's language is about the "transfer" of competences, rather than the "pooling" or "sharing" of competences, which has been the language used previously. I put it him—the Minister might not put it this way—that the notion of "pooling" or "sharing" competences does not fully explain what has been happening over the years and that those are weasel words. A competence "shared" is, in fact, a competence transferred and a competence fully transferred is not even shared. The correct word to use is "transferred" and I give the Minister credit for doing that.

Martin Horwood: The hon. Gentleman makes a powerful response on behalf of the Minister, but I would say that "transfer" implies a total handing over, not just a partial one, of some UK sovereign powers, as if the European Union were some kind of imperial entity of which this country is a humble subject. That may be what some Conservative Members fear but, as I hope the Minister will confirm, the reality is that the vast majority of powers and competences in the European Union are not exclusive EU competences, but competences shared with member states or merely competences to support inter-state co-operation. We have only to consider an issue such as the environment and climate change to realise that we cannot really transfer competence over that to the European Union alone, because such an arrangement simply would not work.

Mr Jenkin: I am glad that the hon. Gentleman referred to "exclusive" competences. Surely if the EU has gained an exclusive competence, a transfer certainly has taken place. A competence shared with the European Union usually results in European Union legislation. Once the European Union has legislated, it has occupied that policy—that part of the field of legal competence—and the doctrine of the European Court is that the EU cannot give that back; the policy can only then be delegated back to the member state. So "transferred" is a good word to have in the Bill.

Martin Horwood: I disagree with the hon. Gentleman's perspective. He speaks as if the European Union were somewhere else, but we are part of the European Union. Even the hon. Gentleman is a member of the European Union.

Mr Jenkin: I certainly am not.

Martin Horwood: Whether the hon. Gentleman likes it or not, as regards formal influence we are one of the four largest member states in the Council and in the European Parliament. In informal terms, we have done remarkably well in supplying civil servants, not least in the new External Action Service, and we have hundreds if not thousands of British citizens working in one way or another within the European Union structures. We do not hand over powers or competences and then have no say on them. On the contrary, as one of the largest member states we have a leading role in the EU. It includes us—and that includes the hon. Member for Harwich and North Essex (Mr Jenkin) and all his hon. Friends. It is not an alien or a foreign body invading our body politic, but a union of all the peoples and nations of Europe.

You will be able to tell, Mr Brady, that I am less convinced of the need for onerous checks and balances than some of my colleagues, but I would like to say that I am cautiously supportive of the overall direction of the Bill. There is little secret that Liberal Democrats alone would probably not have thought it absolutely necessary, but we recognise its importance to Conservative colleagues. Without doubt there is a disconnect between the British public and the decisions made in their name regarding the part that Britain plays in the European Union.

Mr Cash: Does what the hon. Gentleman just said bear out what we heard from Lord Mandelson, which is that even at the last minute, after the coalition had been to all intents and purposes stitched up, the hon. Gentleman's leader, the Deputy Prime Minister, was still on the phone to the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) to ask whether he could achieve any further manoeuvring in relation to the European Union?

Martin Horwood: My suspicion is that that is very unlikely to be true, but I suggest that the hon. Gentleman consult Lord Mandelson's memoirs to find the authoritative account.

There is no doubt that there is a real disconnect between the British public and the decisions made at a European level and an even bigger disconnect between British parliamentary and political life and the workings of the European Union. I am a long-standing pro-European and I have been supportive of many of the important and necessary treaty changes that we have seen in the post-war era. Even as a pro-European, however, I must reflect on the fact that that process has left something of a rift—a democratic deficit—between the British public and the European Union. I hope that many of the provisions for new democratic safeguards and checks on the power of the Executive over major decisions on future UK/EU relations in this Bill will go some way towards filling that void.

It is also worth reflecting on the fact that the Bill's direction is complementary to many of the innovations in the Lisbon treaty. That is important as regards amendments 67 and 68. The UK is not alone in the Union in recognising that the pace of EU integration has left a dangerous lack of understanding and a disconnection between EU institutions, national Parliaments and European citizens. In fact, I think that was recognised by all EU member states in the Council, by members of the Commission and by Members of the European Parliament long before the Bill was conceived. That concern was translated into quite concrete measures in the Lisbon treaty.

I welcomed those changes in the Lisbon treaty and I guess it is too early to tell how well they will work, but the direction in which the Union is moving is clear. That might render unnecessary the calling of a referendum in all the cases envisaged by the Bill, hence amendments 67 and 68. The Lisbon treaty innovations, which were obscured in the haze of media and Europhobic hysteria about the treaty, should be seen as the foundations on which this Bill is being built. Let me remind the House about some of those innovations, which dovetail closely with the provisions in the Bill and necessitate a certain restraint in calling a referendum on everything that moves—a restraint that we have tried to articulate in amendments 67 and 68.

Mr Cash: Is the hon. Gentleman aware—I am sure that he is, and perhaps on reflection he might like to retract those remarks in the light of the fact that he is sitting in such close proximity to the Minister for Europe—that the same Europhobic utterances to which he is referring were reflected by the entire Conservative party, in unity, opposing every aspect of the Lisbon treaty and insisting on a referendum? I know that his hon. Friends were not doing so; this so-called temporary alliance looks as though it has quite a few splits in it.

Martin Horwood: What we have is not a temporary alliance with splits in it, but a business arrangement between two parties with very different traditions and very different views on Europe. The refreshing thing about the coalition, in contrast to Labour when it was in government and there were accusations of psychological disturbance and all sorts of things going on behind the scenes, is that we at least can be open and honest about our different traditions and perspectives. It is to the credit of the coalition and of the Minister that we have managed to create a Bill that largely satisfies both sides.

Claire Perry: Will my hon. Friend therefore take his argument one step further and recognise that although we may have political differences within the coalition, and there are certainly differences across the Floor, the point of a referendum is that it is not for us to have a conversation endlessly into the night about what we care about? It is about trusting the people and listening to the voices of the people, which is a tradition that both Conservatives and Liberals share.

Martin Horwood: Indeed. That was well put and brings us back to the subject of the Bill and the amendments, which is probably just as well.

I remind the Committee again of some of the provisions of the Lisbon treaty that dovetail with the Bill, and which should give us pause for thought about whether referendums are necessary in all the cases set out in the Bill. Do we need such a hair trigger for referendums when there is the forthcoming European citizens initiative provided for in the Lisbon treaty, which will allow a petition of 1 million European citizens from across the member states to trigger a legislative proposal from the Commission? That is a unique, ground-breaking innovation expressly designed to develop connections between European citizens and the apparently remote EU institutions.

[Martin Horwood]

Do we need a referendum at the drop of a hat, or even of a beret, when the Lisbon treaty has created the new yellow and orange card system, which enables one third of national Parliaments—in Britain, this would be done through the scrutiny Committees—to object to an EU proposal if they feel it breaches the principle of subsidiarity? That will require the Commission to reconsider the proposal or force the Council and European Parliament to come to a decision on whether to scrap the proposal or amend it. Do we need to provide for so many referendums, when the new emergency break clauses in the treaties provide national Parliaments and member states with far greater powers than ever before to block a proposal if they consider it to breach or contravene a fundamental component of their domestic legal framework?

Because it is so pertinent to the amendments, I should be interested to know the Minister's view of how well that new yellow and orange card system is being applied by our own Parliament's scrutiny Committees. Such innovations could reassure people and remove the need for a referendum on the slightest technical change. Is the Minister aware of any efforts by those Committees to create their own connections with parallel committees or bodies in other European states, or any system of co-ordination with the national Parliaments in the other 27 member states with regard to the orange and yellow card system? That would start to give effect to the proposals in the Lisbon treaty.

Although I welcome the complementary nature of the Bill to the Lisbon treaty changes that seek to reconnect the public and Parliament, perhaps we can go further. That does not have to be in the form of endless referendums. Let me make a few concrete suggestions. Why not hold an extended annual debate on the Floor of the House on the Commission's work programme, as we do on our own Queen's Speech? That would seem to be an obvious and welcome opportunity for Parliament to debate the relative pros and cons of forthcoming proposals, and to offer suggestions to the Government of measures that the UK should seek to add to the Commission's agenda or even delete from it.

Why not ask Ministers who are going to attend European Council meetings to give oral evidence in advance to their respective Select Committees? That would seem a logical way to engage MPs and Ministers with the major issues under discussion at EU level in their respective portfolio areas. Is not that a better way to deal with the many issues that will inevitably arise, some of them highly technical, rather than prompting a succession of referendums?

Finally, what about establishing portfolio-specific EU sub-Committees, such as those in the House of Lords, which we could do by adapting the remit of existing Select Committees? Will the Minister take those ideas into account and perhaps provide an initial response on their appropriateness in improving parliamentary scrutiny of, and engagement with, European matters?

8.45 pm

Mr Cash: As Chair of the European Scrutiny Committee, I know that it is universally accepted on both sides of the House, as has already been expressed by the Minister and the shadow Minister, that the quality of analysis that we have given to clause 18 and those proposals has been excellent, and that view has been endorsed by many outside Parliament. I mention that simply because the hon. Gentleman is perhaps moving into territory that he might later regret.

Martin Horwood: I do not always agree with the hon. Gentleman, particularly on matters European, but I pay due credit to his Committee and its work. The level of scrutiny that Parliament now gives European matters is certainly on the increase, which is a healthy trend. I give due respect to him for that.

Amendments 67 and 68 would remove the requirement to hold a referendum on any treaty change under the simplified revision procedure that would pool or transfer power or competence from the UK level to the European level. They would not remove the new requirement for Parliament to ratify every treaty change through an Act of Parliament, so Parliament would have the opportunity to put back the requirement for a referendum if that was felt to be absolutely necessary.

The new procedure that the amendments would create for the UK to support and ratify a treaty change made under the SRP that had already been voted for in unanimity at European Council level would simply be for the Minister to lay a statement setting out what the treaty change was and for the Government then to bring forward primary legislation, which would have to be passed by Parliament. That would not touch the requirement for a referendum to ratify any major new treaty under the ordinary revision procedure.

As I have said, even the Act of Parliament under the SRP could ultimately include a referendum in a particular case. In tabling the amendments, the issue we are raising is whether it is advisable to use referendums on any—I stress "any"—transfer or sharing of power or competence with the EU. The provisions for a referendum lock set out in clauses 3 and 4 seem to cover more or less any future change by the SRP, regardless of its size, content, purpose, necessity, or indeed whether it is in the UK's national interest.

I appreciate that the obvious counter to that train of thought is that if there is a good case to be made for a future treaty change, the Government and Parliament of the day should be able to make that to the British public, and I accept that there is a strong case for that on major questions. That case is perhaps made more strongly by Conservative Members than by Liberal Democrats, but I recognise that it is an important one. It might even include some issues such as EU membership for countries such as Turkey. My concern is whether referendums are the best way to approach any future change, even if it is only technical and insignificant.

Stephen Gilbert: One area of competence that the EU currently acts in but does not have defined is combating climate change. Does my hon. Friend agree that saying that we need a referendum when that activity becomes defined is a stretch too far?

Martin Horwood: That is a good example of how a completely uncontroversial and essentially technical change might nevertheless, if we are not careful, trigger a referendum. Like the hon. Member for Devizes (Claire Perry), I am an enthusiast for referendums in general

and voted for one on the Lisbon treaty and for an in/out referendum at the same time, but those are undoubtedly significant changes.

The House of Lords Constitution Committee has noted more recently that there are some risks and costs associated with referendums. We have held just nine referendums since 1973, although only one has been UK-wide. The Committee conducted an in-depth inquiry on referendums in the UK last year, concluding:

> "The balance of the evidence that we have heard leads us to the conclusion that there are significant drawbacks to the use of referendums".

I do not sense any implied rejection of referendums per se, but there are arguments for using them with restraint and ensuring that they are limited to major issues.

Some of the drawbacks cited in the Committee's report include, first, that referendums can undermine representative democracy—not a point that I necessarily agree with, but one that some Opposition Members have made; secondly, that referendums are costly—unarguably an important point in the current austere environment; thirdly, that voters show little desire to participate in them; fourthly, that referendums tend not to be about the issue in question—very likely with some of the technical issues in this case; fifthly, that referendums fail to deal with complex issues; sixthly, that referendums never "settle" the issue—despite expectations; and seventhly, that referendums are a "conservative device" or a block on progress. As a result, the Lords Committee concludes that referendums should be used on questions only of "fundamental constitutional change". Some examples given are, rather alarmingly, referendums to abolish the monarchy, to change the electoral system for the House of Commons and to change the UK's system of currency.

I have to ask the Minister whether including all SRP changes under the referendum lock in the Bill is in keeping with the Lords Committee's detailed findings on the use of referendums. Given the current "treaty fatigue" throughout the European Union, SRP is highly likely to be the most common form of treaty change for the foreseeable future. It is highly likely also that future treaty changes will be relatively small and targeted affairs designed to tweak existing treaties rather than to rewrite them substantially. Is it not therefore highly likely that the referendum lock in clause 3 will capture highly specific, arguably complex, limited and uncontroversial treaty changes?

Such changes might, nevertheless, be urgent. For example, in 2007 my constituency was badly flooded, as was much of Gloucestershire, and we benefited significantly from European emergency funds. If, during any future emergency in a part of Europe which technically fell outside the fund's scope, a treaty amendment were technically required, it would surely be uncontroversial and, in fact, very urgent, so would we seriously say to whichever stricken part of Europe was affected, "Fine, we'll send aid from the European emergency funds, but we'll just have to hold a referendum on it first"? That would be inconceivable. My example may be hypothetical, but it is not impossible to conceive of equally uncontroversial and desirable things that the referendum proposal might block completely.

Given the conclusions of the Lords Committee's report on referendums, can the Minister reassure me that the provisions in clauses 3 and 4 will not produce a plethora of complex and costly referendums that exasperate the public, frustrate proper decision making at European level and are highly vulnerable to hijack by questions that are completely different from those on the ballot paper? Does he agree that the most appropriate democratic check on the use of article 48(6) is primary legislation, as it would give Parliament alone, as the representative of the people, the power to ratify those limited, specific and complex treaty changes that are likely to come under the use of that article?

On the complexity of the referendums that the Bill could produce, can the Minister provide the House with some examples of referendum questions that the referendum lock on SRP treaty changes might create? It is quite difficult to conceive of one so significant that it would justify the use of a national referendum. Can the Minister provide the House with an estimate either of the number of referendums that the Bill is likely to produce in the foreseeable future, or, if that means looking too far into the crystal ball, of the number of SRP changes that are currently in discussion at the European Council or expected to be in the near future? Most significantly in these austere times, can he indicate the expected cost of each referendum on current projections?

The Minister will be aware that the purpose of creating the SRP under the Lisbon treaty was to avoid the need for long drawn-out intergovernmental conferences and painful ratification processes in instances where EU member states wished to undertake targeted and limited treaty changes, particularly uncontentious improvements or enhancements to the workings of the EU for the benefit of all member states. I therefore have concerns over the inflexibility of the referendum lock, and what it will mean in practice. Will the Minister reassure me that the threat or fear of losing a referendum on a treaty change will not prevent future Governments from supporting even uncontroversial and popular changes, and changes that are in the UK's national interest?

I point out to the Committee that on many occasions in the history of the UK's membership of the European Union, it has been deemed in the UK's interest to further pool powers and competence in the European Union. The most obvious example, which should be close to Conservative hearts, is the Single European Act, which was a massive shift away from unanimity voting and towards dropping national vetoes. The European Union was able to dramatically accelerate integration across the internal market—the basic economic rationale that I thought was shared across the coalition Benches. The forward-thinking move to pool and share powers and competence has been of huge economic benefit to the UK and the European Union as a whole. Can the Minister not think of potential instances in the future when further pooling of powers and sovereignty would be dramatically to the UK's benefit?

In the light of the time and the desire for other Members to take part, I will cut short my planned remarks. In asking the Minister to consider amendments 67 and 68, I suggest that there is a risk of the Bill triggering, on a hair trigger, referendums on every conceivable issue. Liberal Democrat Members, who perhaps do not share some of the fears of those on the Conservative Benches, need considerable reassurance on that issue.

Mr Jenkin: I am most grateful to be speaking under your chairmanship, Mr Brady. I will endeavour to be briefer than some hon. Members have been this afternoon.

[Mr Jenkin]

We are discussing the trigger for a referendum in the Bill. It is worth pointing out the undercurrent in this debate: some people are speaking because they do not think that there have been enough referendums and others are speaking because they do not want referendums. The official Opposition have got into a bit of trouble with their amendment. My right hon. Friend the Member for Charnwood (Mr Dorrell) had some fun at their expense, because they tried to present a set of amendments as pro-referendum when their record on referendums is rather lamentable—perhaps as lamentable as ours when we have been in government.

Mr Spellar *rose—*

Mr Jenkin: I will not give way, because my point was not designed to provoke the Opposition and I want to press on. The Opposition's inability to answer the question of how the proposals would help to get a referendum meant that they fell into the trap that was set for them by my right hon. Friend the Member for Charnwood.

Mr Dorrell: Did not the Opposition spokesman's responses give the game away that Labour is unwilling and resistant to the idea of promoting referendums in the context of the Bill? The purpose of both coalition parties is to open the door to consulting the people on the decisions envisaged in the Bill.

Mr Jenkin: I agree totally, but perhaps my right hon. Friend was a little unwise to draw more attention to himself. Perhaps he will speak later and give way generously, as the Opposition spokesman did to him. I have a few points to put to him about how enthusiastic he is about a referendum, given that he voted against the referendum on the Maastricht treaty and at that stage even opposed the principle of a referendum on the single currency. Who would take that position today?

Mr Dorrell: Given that it is unlikely that I shall have the opportunity to address the Committee and respond to all my hon. Friend's questions, perhaps we shall have to defer that pleasure for another day. However, I invite him to consider the benefits of a sinner who repents.

Mr Jenkin: I am all for that. I remember my noble Friend, the former Member for North Shropshire, Lord Biffen—he who had whipped through and proposed the guillotine on the Single European Act—starting his speech in a debate on the Maastricht treaty by exclaiming that we all have blood on our hands. The important theme to draw from this debate is that there is unanimity about the democratic deficit at the heart of the whole process of European integration. The people have not been involved or consulted enough.

My hon. Friend the Member for Grantham and Stamford (Nick Boles) extolled the virtues of the Bill as the "Thus far and no further" Bill and the great victory for my hon. Friend the Member for Stone (Mr Cash), who has campaigned on the matter for so many years—the Bill Cash memorial Bill. My hon. Friend seemed to be saying that the Bill would succeed in stopping the process of European integration in its tracks, even though the much-quoted Martin Howe, QC, has said that although the Bill might fix our place on the escalator, it does not stop the escalator going up.

9 pm

My hon. Friend the Member for Grantham and Stamford extolled the Bill's virtues not because there would be referendums, but because it would prevent European integration because nobody would want a referendum. My hon. Friend the Member for Camborne and Redruth (George Eustice), however, did so because he thought it would cause referendums, and he lamented the fact that there had not been one since 1975. We all know why the Bill is in being—it is because there ain't been a referendum, and every time a major decision is discussed in Europe, the public cannot understand why they have not been consulted about the dramatic changes that are taking place.

We are continuing to feed the expectation that something in the Bill will trigger a referendum, but I do not believe that the Government have any intention of allowing a referendum to be triggered. Indeed, my right hon. Friend the Minister has said that he has no intention of there being a referendum in this Parliament. The Bill will go on to the statute book and then a future Administration—perhaps a Conservative one, perhaps another coalition one or perhaps a Labour one—will not be bound by it.

This I will grant my hon. Friend the Member for Camborne and Redruth: the Bill creates more of an expectation that somehow the situation will change. However, we are in danger of over-selling the Bill if we think it will create a lock. It will not. Let us listen to the words of Lord Leach of Fairford, who is the chairman of Open Europe, no less, which champions the issue and for which my hon. Friend worked. He has said that

"as it stands the EU Bill has some loopholes which urgently need to be plugged if it is to withstand the steady mission creep of new EU laws and accretion of powers."

What we are debating today is whether we can plug some of those loopholes. I am afraid that the whole conception of the Bill has been deconstructed in today's debate.

Mr Cash: Amendment 1 would deal with the exemption condition, which in turn would deal with that mission creep, the accession issue and the question of mixed treaties.

Mr Jenkin: I will deal briefly with my hon. Friend's amendments, which deserve consideration and which I will support if there is a vote. The original pledge was that any new treaty would get a referendum—that was what we were told at the Conservative party conference in 2009. That was going to be the real referendum lock. It seems that the proximity of office blunts the senses, and "any treaty" is now only "certain treaties".

We are now faced with a treaty of enormous significance in the EU—the treaty for fiscal union that Monsieur Fillon came over to propose to the Prime Minister last week. We will be told that it will not affect us, because there is no transfer of competence, no change in voting rights, no imposition of obligations and all the rest, and that it is not significant, so there is no need for a referendum. I remember being told that we could ratify the Maastricht treaty because it did not really affect us as we would have an opt-out from monetary union, but look how it is affecting us. There is no such thing as "Does not affect us". Of course, if we were not in the European Union and it went ahead with fiscal union, it would affect us, so it will be argued that we cannot object as long as we have proper opt-outs.

The problem is that we are in the EU and under the European Court of Justice. We are in the decision-making institutions and in the legal jurisdiction of what will become a fiscal union. It is impossible for anyone to argue that the development of the European Union can go ahead to such an extent without affecting legal decisions in this country. Yet the Bill excludes any possibility of a referendum on an extremely significant treaty. That provision should have been in the Maastricht treaty—we all argued for that when monetary union was first discussed. We all pointed out that the no-bail-out clause was worth nothing—article 104c is emblazoned on my heart. We all argued that there could not be monetary union without fiscal union. We warned of the consequences of monetary union without fiscal union, and stressed that our opt-out was meaningless and would not protect us from the consequences of the Maastricht treaty. Now we are warning again that we should not allow the treaty to go ahead unless we get sufficient opt-outs and exemptions from the existing acquis communautaire, yet the Bill does not provide for a referendum.

Mr Dorrell: My hon. Friend asserted once or twice from a sedentary position during the debate that it had strayed quite widely in the context of the amendments. It is not clear to me how the French Prime Minister's proposal for a treaty for fiscal union falls within the scope of the amendments that we are discussing.

Mr Jenkin: Amendment 1 would remove wriggle room for any Government by requiring a referendum on any new treaty. That was promised at the Conservative party conference, but it is not being delivered in the Bill.

I reiterate that if we want to protect ourselves from the consequences of the inclusion of fiscal union in the arrangements for the European Union, we need to separate ourselves considerably from all the other paraphernalia in which we are currently embroiled. Even the Liberal Democrats are beginning to talk about repatriation of powers on some labour market regulations, such as the working time directive. Incidentally, we were told that we had opted out of that, but it turned out that we had not—something else that we were right about when we debated the Maastricht treaty.

If we allow fiscal union to go ahead, it is inconceivable that it will not have an impact on taxation throughout the European Union. Taxation is already a shared competence. It is not difficult for the European Court of Justice to argue that, as tax union takes place in the euro area, in order to maintain a single marketplace and a level playing field—and all the jargon that is regularly used—it will enlarge the EU's competences over taxation. That is inevitable. I am fed up with warning about what will happen and being proved right. It is time that the House acted on the warnings that it has been given for many years.

I want to consider amendment 11 and the test for significance. The amendment is in keeping with the spirit of the Bill. Its scope is narrow. Clause 2 covers "Treaties amending or replacing" the existing treaties. Clause 3 deals with amending the treaty on the functioning of the European Union. Each relies on clause 4, which provides for a whole lot of tests, including subsection (1)(i) and (j), which are subject to the significance test.

The problem with the significance test was best described by the European Scrutiny Committee. I appreciate that many of my colleagues say, "Oh well, that's chaired by the hon. Member for Stone. What do you expect? It's been completely hijacked by the ultra Eurosceptic extremists." However, I invite hon. Members to consider the membership of that Committee. Its members are a pretty reasonable bunch of people. I happen to believe that my hon. Friend the Member for Stone is a reasonable person, too. Although some of the report was contested, paragraph 98 was supported unanimously by Labour and Liberal Democrat as well as Conservative members of the Committee. Paragraph 98 states, in bold:

> "We think the possibility for successful judicial review of a ministerial decision whether a transfer of power under clause 4(1)(i) and (j) is significant will, in practice, be limited."

That is based on evidence given to that Committee. The problem is:

> "The expressions 'if the Minister is of the opinion' and 'in the Minister's opinion' in clause 4(4) underline the subjectivity of the process and the difficulty of judicial review."

My hon. Friend the Member for Dover (Charlie Elphicke) said that somehow Mr and Mrs Citizen from Dover can toddle into the administrative court to bring an action that threatens the whole Government's policy when the Minister has opined to the House of Commons that something is not significant enough to attract a referendum. That is absolutely bonkers. My noble Friend Lord Rees-Mogg and Mr Stuart Wheeler are hardly two typical citizens—perhaps they are my hon. Friend's constituents—but they have both failed to attract the attention of the courts or to engage them in such fundamentally political decisions. The phrase "in the Minister's opinion "clearly makes the decision political. It is a political problem. The skill of amendment 11, which stands in the name of my hon. Friend the Member for Hertsmere (Mr Clappison), is that it brings decisions home to the House of Commons, where political decisions should be made.

The main argument against amendment 11 is that judicial review is superior to the Government's obtaining the consent of the House of Commons. We do not like rule by judges or judicial supremacy. We prefer democracy, which commends the proposal. The second argument against amendment 11 is even more bizarre.

Martin Horwood: Surely the hon. Gentleman will concede that under the Bill, every treaty change will be subject to a vote in Parliament, because an Act of Parliament will be required for every single treaty change, whether there is a referendum or not.

Mr Jenkin: I thank the hon. Gentleman for that, because it is the only other argument against amendment 11. He is saying, "You don't need to bring a decision to the House of Commons, because you can't get a treaty change without an Act of Parliament and the whole issue can be dealt with then." However, that is an argument against clauses 2, 3 and 4. What is the point of the Bill? The point of the Bill is to bring matters to Parliament or to the people for decision before we legislate to enact a new treaty change. If the Government and the Committee do not accept amendment 11, which would transfer a decision from the courts to the House

[Mr Jenkin]

of Commons, why are we bothering with the Bill at all? The hon. Gentleman makes an argument against the Bill.

Mr Swayne: My hon. Friend will recall that we did not get a referendum on the Lisbon treaty because the House decided that we would not have one. I am entirely with him, and I much prefer in principle for decisions to be made by the House of Commons rather than the courts, but frankly, in that previous case, I have no doubt that the courts would have granted us a referendum when the House denied us one.

Mr Jenkin: I should point out that the only reason why we are not having a referendum on the Lisbon treaty is that the Government decided to persuade their supporters not to have one. My hon. Friend is exactly right that the House of Commons decided not to have a referendum. In the next Parliament, however, the House could decide to repeal the Bill when it is an Act of Parliament. It could decide to overturn a Minister's decision, or it could accept a Minister's decision, introduce a Bill to ratify a new part of the treaty, give all sorts of reasons why there should not be a referendum and put that into the Bill. The Bill is no guarantee of a referendum. It creates an expectation that there should be referendums, but that is all it does—it generates a political expectation.

9.15 pm

Claire Perry: I feel as though I am putting a toe into a pool full of big fish who have been debating these issues for years, so I hope that my hon. Friend will be gentle with me in his reply. Does the Bill go any way towards making him feel better about the future of the Eurosceptic majority in this country? Is he 10% more comfortable? Is he 20% more comfortable? I believe that this is a very big step in the right direction within the constraints of the coalition and the legal situation that we have inherited. Is it 20%? Is it 50%? Surely he is sleeping a little bit easier at night as a result of the Bill being brought to the House.

Mr Jenkin: Of course. I stood on the same platform as my hon. Friend at the last election of wanting a referendum lock and a sovereignty Bill, but I fear that the way the Bill is being enacted will disappoint our constituents.

Claire Perry: It is still better.

Mr Jenkin: I agree that it is better, if only because it generates an expectation and a moment that will come in our history when people say, "Up with this we will not put! We are having a referendum." To that extent, it is useful background noise, but I put it no higher than that. It is not fulfilling what we promised before the last general election.

Mr Cash: I am sure that my hon. Friend will accept that the real problem is the European Union as it now is. We are not having a referendum on any aspect of the mess that Europe is in. Everybody in the Committee has to accept that the riots, the protests and the collapse of the euro—all these things—are the consequence of the failure of European economic governance that has been predicted from Maastricht onwards. The Bill will do nothing to change that because it does not provide for a referendum on the circumstances that we are now in.

Mr Jenkin: I am grateful to my hon. Friend.

I hear the plea of my hon. Friend the Member for Devizes (Claire Perry), but I believe that there is a constant danger of us succumbing to wishful thinking. The problem is that this is not the "thus far and no further" Bill; it is the "locking the stable door after the horse has bolted" Bill. What is more, whatever other horses there may be in the stable, there are sufficient holes in the door for those horses to squeeze through, if it is convenient for the Executive to allow it to happen. That is what we will see with the treaty coming down the track for EU fiscal union. The Bill will not increase the happiness of the British people about our present terms of EU membership. The Bill fails to address those terms, but they will have to be addressed at some stage in the future.

I refuse to sign a referendum pledge, as I was recently asked to do, saying, "Let's have an in-or-out referendum". That is not the way to conduct this debate; the way to conduct it is for the Government to set out their national interests and negotiate robustly for them in the European Union, rather than to continue appeasing the system to avoid a row. I even accept that we may need to do that for a period, while we are in such a difficult fiscal position, but the moment that the EU is asking for treaty changes for which it needs our consent is the moment we should be asking for concessions in return. We certainly should not carry on transferring competencies to the EU without a referendum, as is provided for in the Bill.

Mr Lidington: We have had a robust debate, and I want to start by thanking all right hon. and hon. Members on both sides of the Committee who have taken part, whether through speeches or the numerous interventions.

I want to start with a point on which there was agreement, certainly on the Government Benches. Wherever people stand within the coalition or the spectrum of opinion on Europe in the Conservative party alone, there is agreement that the European Union has developed with too little democratic control and without adequate consent being given by the British people. Indeed, the Lisbon treaty was the first time that the United Kingdom agreed to, and then ratified, a European Union treaty that was not even included in the general election manifesto of the winning party at the previous election.

My hon. Friends the Members for Daventry (Chris Heaton-Harris), for Grantham and Stamford (Nick Boles) and for Camborne and Redruth (George Eustice) said that we needed to change what the history of the British political world's handling of European business had done, which is to undermine support for our membership of the European Union and the idea that what British Ministers do in European Union institutions on behalf of the United Kingdom carries democratic consent. We need to restore a sense of confidence among the public in how British Ministers take decisions on Europe on their behalf, and that is what the Bill seeks to do. We want to ensure that the British people are never again denied their say over the transfer of new competences and powers from this country to the institutions of the European Union.

I should say in parenthesis to my hon. Friend the Member for Cheltenham (Martin Horwood) that although the word "transfer" in the explanatory notes is a reasonable use of layman's language, I am sure that he will have noted that in the Bill itself we use the term "confer". We talk about exclusive, shared, co-ordinating and supplementing competences, which are precisely the terms used in the European treaties.

However, my hon. Friend was right to say that this Bill should not be our only means of addressing the democratic deficit in the way that European decisions are made. He was right to talk about the importance of strengthening our systems of parliamentary scrutiny. I am looking forward to seeing how the scrutiny Committees in the House of Commons and the House of Lords use the opportunities presented by the new yellow and orange-card system. I know that my hon. Friend the Member for Stone (Mr Cash) has been in regular contact with his counterpart committees in a number of other EU capitals. It is important that that network of contacts between the European Union scrutiny committees in each of the 27 member states continues to develop.

I am sure that my hon. Friend the Member for Cheltenham will also have seen the written ministerial statement that I made to the House last Thursday. Although it dealt primarily with issues concerning justice and home affairs measures, it also stated that the Government now wanted to explore—together with Parliament, and therefore with the two scrutiny Committees in particular—ways in which, right across the piece, we can strengthen scrutiny and accountability to the Houses of Parliament for what we as a Government do in Europe on behalf of this country.

Mr Cash: I very much acknowledge the sentiment that my right hon. Friend is expressing, but I am sure that he will understand when I say that listening is not the same as actually agreeing, and that there are circumstances where I would have expected him to be a little more acquiescent in relation to some of the arguments that we have put forward.

Mr Lidington: In those conversations about parliamentary scrutiny, which I intend should begin as soon as possible, I hope that I can find complete agreement with my hon. Friend. However, he will know that if we are talking about arrangements that will govern how both Houses of Parliament deal with European business and the process of scrutiny, we ought to be striving towards a measure that can command broad support in both Houses, and across all the political parties represented therein.

The Bill is a radical piece of legislation to improve how we handle European business. As my hon. Friend the Member for New Forest West (Mr Swayne) pointed out, in a characteristically vigorous intervention, had the legislation been in force at the time, the treaties of Lisbon, Amsterdam, Nice and Maastricht would all have required a referendum before they could have been finally ratified.

The powers in the Bill include a referendum lock on treaty changes or decisions that transfer powers from the United Kingdom to the European Union. That is the case even if the measures used to transfer those competences or powers are the extensive self-amending provisions introduced by the treaty of Lisbon. The powers include requiring that important decisions—even if they do not transfer power or competence—are still in every case approved by an Act of Parliament. I want to put this beyond any doubt: the Bill will mean that any treaty change at all, whether using the ordinary procedure for amending a treaty or the simplified revision procedure, will have to be approved by primary legislation.

This is a vitally needed improvement. Under the European Union (Amendment) Act 2008, Parliament's control over the simplified revision procedure and other key ratchets is limited to a vote on a Government motion. That is the case even if the simplified treaty changes or ratchet clauses are proposed to abolish something as important as a national veto over foreign policy.

Ms Gisela Stuart: There is something that I genuinely do not understand after reading through the notes. When the Government list all the things that will be covered by the ratchet clauses, is that an exhaustive list? What is the logic behind the list?

Mr Lidington: We shall have a debate on the ratchet clauses later this week when we deal with amendments to those parts of the Bill. I will be happy to go into more detail then, and I hope the hon. Lady will forgive me if I do not answer her question now.

We are giving Parliament and the public the opportunity to hold Ministers to account by spelling out the criteria needed to make a decision on whether the power or competence is transferred, and requiring Ministers to make a statement giving the reasons for their decision. Parliament can challenge this, and, if it so wishes during the legislative process, add further conditions of its own. If the public are dissatisfied with the Minister's judgment—I stress it will be the Minister's judgment, not Parliament's—they will be able to use judicial review to check it further.

Mr Jenkin: Would a member of the public be allowed legal aid for such a challenge?

Mr Lidington: My hon. Friend is tempting me to go way beyond the scope of the Bill. At the moment, any legal aid application would be subject to the normal rules that apply to legal aid, which are the responsibility of the Ministry of Justice, and not of the Foreign and Commonwealth Office.

The Bill comprehensively goes through the nuts and bolts of the treaties to identify how power and competence could be shifted from this country to the European Union. We have deliberately and determinedly taken steps to limit the wriggle room for any Government or Minister in this regard. We are committed to ensuring, as best we can, that the Bill is watertight, with no omissions or loopholes that would allow a future Government to avoid giving either Parliament or the people the control that they deserve.

Let me spell out in a little more detail how we plan to achieve this. Following the agreement of any future treaty change under the ordinary revision procedure—that is, the process involving an intergovernmental conference and, probably, since the Lisbon treaty, a convention of the European and national Parliaments as well as of national Governments—three conditions must be fulfilled before the United Kingdom could ratify such a treaty

[Mr Lidington]

change. First, the Minister must lay a statement before Parliament. That statement would give the Minister's decision as to whether the proposed treaty change would involve one or more of the criteria in clause 4 of the Bill, and therefore whether a referendum would be required or not. A change that would transfer power or competence from this country to the EU would be subject to a referendum of the British people.

If the proposal were considered by the Minister not to involve one or more of the criteria in clause 4, it would be considered to meet the exemption condition—in other words, it would not require a referendum to be held. The important point is this: the Minister cannot simply conjure his decision out of the air. He has to obey the law. He has to follow the criteria set out in the Bill, especially those in clause 4 and schedule 1. His statement will have to demonstrate how he has applied those criteria in coming to his decision. He will simply not have the scope in law to make some arbitrary decision in defiance of what is spelled out in the legislation.

Mr David: I hear what the Minister is saying, but his points are deliberately vague. How does he respond to that?

Mr Lidington: The points are not vague. I invite the hon. Gentleman to have another look at clause 4 and schedule 1, both of which define in clear terms the various ways in which competences could, within the terms set out in the treaties, be enlarged, transferred or expanded, while schedule 1 sets out in detail a list of national vetoes, the removal of which would automatically trigger a referendum. I gently suggest that the hon. Gentleman studies the Bill a little bit harder.

9.30 pm

The second condition is that Parliament's approval has to be gained for the treaty change in all cases, no matter how minor or uncontroversial, by Act of Parliament. That legislation would provide for the approval of the treaty change and, where a referendum is required, provide the necessary enabling measures to allow it to be held. The need for an Act of Parliament is central to our role in holding Ministers to account for the decisions they take on behalf of the UK in the EU. If Parliament were of the view that a referendum should be required for a future treaty change, despite that proposal coming in one of the exempt categories, it could amend the approval legislation to provide for a referendum if it so wished.

Mr Cash: Does the Minister not accept that it would be a monumental change if proposals relating to fiscal union, social union or employment union were to be incorporated in a treaty between the UK and other member states—excluding the UK, but none the less having a juggernaut impact upon us? In those circumstances, is that material not so important that we would expect to get a referendum—as would the British people?

Mr Lidington: My hon. Friend is jumping several bridges in assuming that what might be proposed in those hypothetical circumstances would be an amendment of the European Union treaties rather than a separate intergovernmental treaty involving the member countries of the eurozone—and perhaps some others—who wished to participate in the sort of closer economic union that my hon. Friend described and fears.

I hope to say more about this later, but the Bill is based on a very clear principle agreed within the coalition —that the referendum lock should apply where there is a transfer of competence or of power from the United Kingdom to the institutions of the European Union. That is the defining criterion. The different categories of exemption apply where powers and competences are not being transferred from this country. That is the reason for the distinction set out in the Bill. It is not an arbitrary decision, but one based on a very clear principle.

Ms Stuart: I am still trying to understand what the Minister regards as significant. The monetary union is not a debt union at the moment, but it is about to become a debt union. We have an opt-out for monetary union. If the monetary union becomes a debt union, and thus far more significant, surely that is important to us—even though we have an opt-out.

Mr Lidington: If the measures in respect of greater economic union or perhaps fiscal union or shared responsibility for debts were to take the form of a European Union amendment treaty and involved the transfer of competences or powers from this country to the EU, the referendum lock would be triggered. If the eurozone countries choose to do their own thing and have their own intergovernmental treaty, which they can do quite distinct from any move to amend either the treaty on European Union or the treaty on the functioning of the European Union, we would not have a say—not if they chose to go down that route.

Mr Dorrell: Were my right hon. Friend a Minister in one of those European Union countries that might theoretically be considering a fiscal union, and were he offered the prospect of his decisions on behalf of his country being subject to a referendum in the United Kingdom—a country that would not be part of that union—which of the two routes does he think that he might take?

Mr Lidington: By implication, my right hon. Friend has answered his own question. There is a question about national sovereignty and democratic accountability. We would look askance were another EU member to say that some protocol that dealt with the United Kingdom alone should be subject to a referendum in their country. We should be pretty cautious before we set ourselves up and argue that we will insist that we hold a referendum here on a treaty proposal that does not have an impact on the governance of this country, that does not involve the transfer of new powers away from this country, and that leaves the powers of our Parliament and people completely as they are at present.

Several hon. Members *rose—*

Mr Lidington: I will make some progress, because many Members have spoken and made different points, which I want to answer.

As the Committee knows, a new system for treaty change was introduced by Lisbon: the simplified revision procedure in articles 48(6) and (7) of the treaty on European Union. That enables the European Council

to amend those sections of the treaty on the functioning of the European Union that concern the single market, justice and home affairs and other internal policies. The Bill ensures that the method of treaty change, governed by the simplified revision procedure, is subject to exactly the same accountability and scrutiny as the ordinary revision procedure. The only difference is the significance test, which I will cover in detail later. In passing, I should say that article 48(7) decisions about moving from unanimity to qualified majority voting are caught by clause 6(4)(b) of the Bill and require both an Act and a referendum in accordance with schedule 1.

My hon. Friend the Member for Hertsmere (Mr Clappison) was right when he said that article 48(6) says that the simplified revision procedure cannot be used to enlarge the competences of the European Union. Although that is indeed written in the treaty, we have drafted the Bill to require British Ministers to examine even an article 48(6) proposal, to see whether, despite that treaty language, we would judge it to involve an extension of competence. If the British Government's judgment was that it did, the referendum lock would apply in those circumstances.

Let me turn to the numerous amendments, many of which severely weaken the provisions of the Bill, either by watering them down so that they are toothless, or by extending them considerably beyond what the coalition programme for government promised. Amendments 67 and 68 would remove the referendum lock altogether, and require only an Act of Parliament to approve a transfer of power or competence from the United Kingdom to the European Union.

Martin Horwood: That is not an entirely accurate representation of amendments 67 and 68, which refer only to changes under the simplified revision procedure.

Mr Lidington: I was going to make the qualification that the amendment applies to measures within the simplified, not the ordinary, revision procedure. I think that that denies the public the chance to have their say on what are, ultimately, important decisions.

My hon. Friend the Member for Cheltenham asked a couple of detailed questions. He asked, for example, whether a technical change to allow for emergency flood relief, agreed to by means of the simplified revision procedure, would be subject to a referendum. As he will know, the so-called enabling clause, article 352, would be available in the event of a need to take urgent action within the European Union's existing competences if that action were taken to attain the EU's objectives and if there were no explicit provision to authorise that in the EU treaties, and emergency relief and international development are indeed competences that the European Union shares with member states. Clause 8 of the Bill provides for enhanced parliamentary controls prior to any agreement on the use of article 352.

I disagree with the hon. Gentleman on some of what he termed technical changes. I firmly believe that a referendum should be held on any change that would transfer competence or substantive power from this country to the EU permanently.

The hon. Gentleman also asked how many article 48(6) changes were currently being considered. Only one is being considered at present, the one that was promoted by the German Government and agreed at the December European Council. It affects only the eurozone, and as it does not transfer power or competence from this country to the European Union, there would be no need for a referendum.

Amendments 1 to 5 and amendment 7 would ensure that every treaty change required the consent of the British people in a referendum, even if it transferred no further competence or power from this country to Brussels. I suspect that this was not the authors' intention, but even a treaty change that would repatriate power from the European Union to the United Kingdom would require a referendum in this country before it could be accepted. A treaty change to remove the United Kingdom's veto over decisions to amend the number of advocates-general working in the European Court of Justice would require a referendum, as would a treaty change to allow Denmark to participate in justice and home affairs measures. The addition of 18 new MEPs before 2014—when they take their seats automatically anyway—for which the Bill provides would also require a referendum.

The issue is this: what is a suitable matter for a referendum? I believe that decisions that change who decides—decisions that move control over an area of policy from the United Kingdom to the EU—should require the consent of the British people; but not every treaty does that. Should a technical change such as the temporary alteration in the number of MEPs require a referendum? If Iceland decided to join the EU, should that require a national referendum? I think that that argument is very hard to justify, and might well discredit the principle of referendums from the point of view of voters. I also see no justification for referendums on treaty changes that do not apply to the United Kingdom. As I said earlier, in democratic terms, those are ultimately decisions for the countries to which the treaties apply, and not for us. No transfer of competence or of power from this country to the EU is associated with such changes.

Ms Stuart: The Minister is simply wrong. If Lisbon caps the total number of MEPs, if the number of MEPs is based on the population, if there is a minimum number of MEPs with "bookends", and if a country such as Turkey makes a change, the number of MEPs in this country will be significantly lower and our voice will be lower. That constitutes a change of power, and it is no good denying it.

Mr Lidington: If we followed the hon. Lady's logic, a referendum would be required in this country for any change whatsoever in the distribution of seats in either the European Parliament or the Council of Ministers.

By definition, a referendum in this country would also be required on any accession to the European Union, not just that of Turkey, because every time a new member state joined the European Union they would have a certain weighted share of votes in the Council of Ministers and a certain number of MEPs. I do not think that she is seriously arguing that.

9.45 pm

The hon. Lady and other hon. Members homed in on the question of Turkey's accession, saying that the size of that country's population made it a different case. That is not as straightforward an argument as she and

others make out, because there have been occasions when a number of different accessions have taken place at the same time. A few years ago, 10 new member states joined the European Union at the same time. I believe that their combined population then was 73 million, which is slightly greater than Turkey's population is now. I do not believe that anybody in this country argued at that time that a British referendum on those accessions was right. The point of principle here is that a referendum should be required when new competences or powers are given from the United Kingdom to the European Union. If Parliament wants to impose the additional requirement for a referendum to be held on a treaty change, including an accession treaty, Parliament is perfectly entitled to do so when the ratification Bill comes along.

Mr Clappison: The Minister is making a persuasive argument in a courteous way, but I must take him up on this point about the accession treaty. I believe that eight members joined at the same time and what took place then was in many respects a shambles, which would have been avoided by better scrutiny and if the question of a referendum had been on the table.

Mr Lidington: I am going to stick to my figure of 10. It does not make much difference to the principle of the argument, but I believe my figure is accurate. My hon. Friend rightly made a point about problems after some of those accessions, but that makes the case for member states to insist on the rigorous application of the accession criteria before accession takes place, rather than allowing countries in before they are fully ready and equipped and then arguing about it afterwards.

Keith Vaz (Leicester East) (Lab): The Minister is absolutely right on this point and my hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) is wrong, because in the case in question the enlargement of the European Union passed through the House unanimously. The only occasion when a matter such as enlargement should go to the British people is when the House decides that it should go to them.

Mr Lidington: I am grateful to the right hon. Gentleman for that.

I wish now to discuss the significance test. New clause 9 would submit all referendum criteria, all treaty changes and all uses of article 48(6) to a significance test, but even the narrow use of the significance test, as set out in the Bill, has been the subject of a great deal of concern, so I wish to be clear about what it means for the Bill as it stands and to explain why it is needed. The significance test can be used only in very specific circumstances. Clause 4 identifies 13 instances when a treaty change transferring competence or power to the EU would attract a referendum. The significance test applies not to 13, but to two of those instances. Moreover, it can be used only when a decision under article 48(6) is being taken. It cannot be used for treaty amendments adopted under the ordinary revision procedure.

Article 48(6) decisions could seek to confer on a European institution a power to require this country to act in a particular way, or to impose sanctions on the UK for our failure to act in a particular way. Although that could be done only within existing areas of competence, and not within new ones, it would enable EU institutions or bodies to use those existing competences in a different way. A future proposal under article 48(6) to do either of these things would, as a matter of general principle, require a referendum to be held.

Let me give the Committee a hypothetical example. There might be a proposal to allow an EU agency to impose sanctions on a national regulator or to act in a way that compelled British businesses to do something that would increase significantly the burdens on British business and harm the competitiveness of this country. That sort of decision would, in my view, be classed as significant and should attract the referendum lock, but there might equally be instances in the future—my hon. Friend the Member for Cheltenham was right—where article 48(6) might be used to give a new power to a body in an area that is not significant to this country. For example, it might require a national regulator or some other British organisation to provide an EU agency with a set of statistics annually.

Let us consider, for example, the European Maritime Safety Agency. It was set up to provide member states of the Commission with technical and scientific assistance in the field of maritime safety and the prevention of pollution by ships. If, in the future, it was decided to change the treaty so that that agency could issue binding directions to national regulators and that that would be a permanent cession of authority and powers, that would be a significant power within the meaning of clause 4(1)(i) or (j). If, however, the proposal was to change the treaty to allow the agency to require national regulators to provide it with an annual digest of statistics, I do not think that that would be a significant power under the Bill. That is why we have provided for the significance test.

Amendments 3 and 5 would remove the significance condition from the Bill, so it would in practice require a national referendum on such things as the provision of statistics. I think that most people in this country would accept that such technical changes should be left to the Government, under the scrutiny of Parliament, who of course would still have to authorise the minor treaty change through primary legislation—a formal Act of Parliament subject to detailed scrutiny and capable of amendment in either House. In all those instances the proposal would need to be thoroughly analysed and we have ensured that any use of the significance test would be subject to strong scrutiny and accountability.

When he spoke about amendment 11, my hon. Friend the Member for Hertsmere took a different approach to parliamentary scrutiny. His amendment would require a Minister to seek parliamentary approval not to hold a referendum on the basis of the significance test, through both Houses agreeing to a motion without amendment. I have a great deal of sympathy for where my hon. Friend is coming from and I do not for one moment challenge his passionate commitment to the duty of Parliament to hold Ministers to account or his wish to see the powers of Parliament over European Union business and ministerial decisions on Europe strengthened and improved. If I felt that his amendment would secure that objective better than the provisions in the Bill, I would be with him on the detail. However, I want to explain why I do not believe that it does that.

First, when a Minister makes the statement required by clause 5 on whether a proposed amendment requires a referendum, they must give reasons why the proposed

change does or does not meet the significance test. Those reasons will need to refer to the criteria set out in clause 4, so their reasoning will need to be clearly set out. There is a first measure of protection already in the Bill.

Secondly, the Bill ensures that every proposed treaty change, regardless of whether the significance test applies, would require the approval of Parliament through primary legislation. That would allow sufficient time for Parliament to scrutinise the use of the test to legislate for a referendum if it deemed such a provision necessary.

Thirdly, there is the risk that having a separate debate on significance in the way that amendment 11 proposes could weaken Parliament's scrutiny of the primary legislation that the Bill requires. That point was made by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) in an intervention. In view of the dynamic of the House of Commons, it would be tempting for a Government who wanted to rush through a particular treaty change to schedule an early debate on the motion not to require a referendum and then, when the ratification Bill came forward and Members of Parliament had had the opportunity to look at the detail, perhaps consider the evidence of a Select Committee, and listen to what outside experts had to say on the matter, they would find their Whips coming up and saying, "We've already voted on this. You personally went through our Lobby to support the proposition that a referendum was not required. How can you change your mind and try to insert the requirement for a referendum at this stage?"

The unintended consequence of amendment 11 could be to strengthen the hand of the business managers and to weaken the independence of judgment that Members would be able to exercise under the requirement for primary legislation laid out in the Bill. Amendment 11 would also weaken any prospect of a successful judicial review. Judicial review is not a panacea, but the House should see it as a significant step to give the citizen the right to challenge a Minister's decision, where that decision is irrational or unreasonable.

There are two important distinctions between what we are proposing here and what we saw in the Wheeler case, to which a number of Members referred in the debate. First, the Minister has to give reasons, and give reasons by reference to the Bill. That opens up the possibility that a court might wish to consider a challenge to the reasonableness of the Minister's decision. Secondly, whereas in Mr Wheeler's case the Court was invited to judge the wording of the constitutional treaty against the wording of the treaty of Lisbon and declined to do so, in this case we are talking about a possible invitation to the Court to judge the actions and decision of a Government Minister in his Executive capacity against the statutory duties on that Minister set out in the language of the Bill. Those are important distinctions.

Mr David: Will the Minister give way?

Mr Lidington: No. I want to do justice to the amendments tabled by the Opposition. They have been presented as increasing the role of Parliament. In fact, they do the reverse. The effect of the Opposition amendments, especially new clause 9, is to subject every referendum criterion to a significance test. If accepted, the Opposition's amendments would leave it open as to whether a move to join the euro was significant, a move to give new competences to the European Union was significant, a move to give up our border controls and take part entirely in a European immigration system was significant, or a move to join a European public prosecutor system was significant.

The hon. Member for Caerphilly (Mr David) is trying to persuade us that he is offering new powers to Parliament, when it is clear to anybody who studies the wording of his amendments and his new clause that the intentions are the reverse. The Opposition's amendments would drive a coach and horses through the Bill. They would deny both Parliament and the people the additional powers and controls which I believe Parliament and people in this country want to see. The Bill is designed to be tough. As academic experts have said when giving evidence to the European Scrutiny Committee, it delivers the referendum lock that we have promised. I will not yield by weakening the Bill in the way that the Opposition propose.

Question put, That the amendment be made.

The Committee divided: Ayes 220, Noes 329.

Division No. 179] **[9.59 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David

Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sheerman, Mr Barry
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Lyn Brown

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John

Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Jeremy Wright

Question accordingly negatived.

10.14 pm

Proceedings interrupted (Programme Order, 7 December).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clause 1 ordered to stand part of the Bill.

Clauses 2 to 4 ordered to stand part of the Bill.

Clause 5

STATEMENT TO BE LAID BEFORE PARLIAMENT

Amendment made: 56, page 4, line 24, at end insert—

'( ) In relation to an Article 48(6) decision adopted by the European Council before the day on which this section comes into force ("the commencement date"), the condition in section 3(1)(a) is to be taken to be complied with if a statement under this section is laid before Parliament before the end of the 2 months beginning with the commencement date.'.—*(Mr Lidington.)*

Amendment proposed: 11, page 4, line 24, at end add—

'(6) If the Minister's opinion is that the effect of that provision in relation to the United Kingdom is not significant the Minister must seek Parliamentary approval for his opinion.

(7) Parliamentary approval is given if—

(a) in each House of Parliament a Minister of the Crown moves a motion that the House approves of the Minister's opinion; and

(b) each House agrees to the motion without amendment.

(8) If the Minister fails to obtain Parliamentary approval for his opinion the significance condition is not met.'.—*(Mr Clappison.)*

Question put, That the amendment be made.

The Committee divided: Ayes 239, Noes 310.

Division No. 180] **[10.15 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Baron, Mr John
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret

Begg, Dame Anne
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman, Bob
Blackman-Woods, Roberts
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Carswell, Mr Douglas
Cash, Mr William
Clappison, Mr James
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
Davies, Philip
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Drax, Richard
Dromey, Jack
Dugher, Michael
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jenkin, Mr Bernard
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
Mactaggart, Fiona
Mahmood, Shabana
Main, Mrs Anne
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nuttall, Mr David
O'Donnell, Fiona
Onwurah, Chi
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Raynsford, rh Mr Nick
Reckless, Mark
Redwood, rh Mr John
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sheerman, Mr Barry
Shepherd, Mr Richard
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Mr Andrew
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Whittingdale, Mr John
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr Peter Bone and
Mr Philip Hollobone

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey

Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Durkan, Mark
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Philip Dunne and Norman Lamb

Question accordingly negatived.

Clause 5, as amended, ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 7 December).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

CHILDREN AND YOUNG PERSONS

That the draft Breaks for Carers of Disabled Children Regulations 2010, which were laid before this House on 18 November, be approved.—*(Stephen Crabb.)*

Question agreed to.

Mr Russell Brown (Dumfries and Galloway) (Lab): On a point of order, Madam Deputy Speaker. With the imminent disposal of Nimrod, do you know whether any Ministry of Defence Minister has approached Mr Speaker about making a statement to the House in respect of representations made by Government Back Benchers on this matter?

Madam Deputy Speaker (Dawn Primarolo): Mr Brown, I have not been informed of any request for a statement to be made by a Minister on this subject, but I know that you are very resourceful and that if you wish to pursue the matter, you will find ways to do it in parliamentary business tomorrow and the day after.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Madam Deputy Speaker. Have you had any advice from those on the Treasury Bench about their disappointment that only the first group of amendments were discussed today, that 26 other amendments and new clauses were not discussed, and that four clauses were not discussed? Have you had any indication, Madam Deputy Speaker, that a programme motion alteration has been brought forward?

Madam Deputy Speaker: I have had no discussion on the progress of business in the House today, which was orderly and within the programme motion. Neither have I had any discussions about any future arrangements for the Bill. However, I am sure that you, Mr Bone, will find ways of pursuing the matter in order to get the answer you are seeking.

Planning Blight

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

10.34 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): Early this morning, I joined a group of residents from Colliers Wood in a protest. We travelled up to Piccadilly circus to stage a small demonstration and deliver a letter of demands to people who we think are ruining our neighbourhood—the owners of a building in my constituency that we call the Golfrate tower. This debate is designed to explain our point of view, and to convince the Government that they must do more to help communities such as Colliers Wood in our struggle against landowners who just do not care.

The Golfrate tower is an ugly, 17-storey former office tower block. It is made of black concrete and dominates the view for miles around. It runs along the busy A24 trunk road into London and stands directly above the Northern line. The tower was built in the 1960s, and was designed in the then fashionable style of the Chicago school, which used dark grey cladding and pre-cast concrete. My recollection as a young child was that it was almost as unpopular then as it is now. Even at the time the tower caused considerable controversy, particularly because of its ugliness and the way in which the immense black shard of concrete loomed over the surrounding area. Indeed, it suffered from bad luck even before it was finished. When builders reached the third floor, a construction error was discovered that meant that the tower had to be demolished and built all over again. Many people saw that as a bad omen.

First named the Lyon tower, the building was originally the headquarters of the property company Ronald Lyon Holdings, but was later known as the Vortex and the Brown and Root tower, after the American engineering firm Brown and Root Halliburton, which occupied it from 1971 to 1995. The building has always been hugely unpopular. One elderly Irish resident tells me that he believes that it is God's retribution for his being involved in laying the foundations that the Golfrate tower should be the first thing that he sees every morning from his bedroom window.

Many people, for perfectly understandable reasons, simply want the building knocked down. In 2006 it was voted London's most hated building in a BBC poll. In 2005, Channel 4 screened a series called "Demolition", dedicated to finding Britain's worst buildings and knocking them down, was presented by Kevin McCloud of "Grand Designs". The Golfrate tower reached the shortlist of 12, but sadly it cannot be demolished. First, it was worth well over £10 million, and nobody can afford to buy it just to knock it down. However, even more than that, the demolition costs are prohibitive. The Northern line would have to be shut and the A24 would have to be diverted. The compensation would be enormous.

Many residents understand that, even if, like me, they are not very happy about it. Development rather than demolition is the only real solution. In 2005, things started looking up when a company called London Green Development, led by the developer Philip Green, apparently became the owners, and told us that they were keen to develop the tower. Residents were consulted and included, and new and exciting plans were drawn

up. The design was excellent, and Merton's planning committee granted planning permission to turn the tower into just over 200 modern flats, many at prices that local people could afford. There would also be community facilities, such as a library and a police office, and shops. The plan included re-cladding the tower, so that it would be less ugly. However, six years later, work has still not even begun, even though house prices are higher than in 2005. The tower looks even worse now than it did then, and let us remember that that was the year it was voted London's most hated building.

However, none of that is Philip Green's fault. No, it is the fault of a company called Golfrate, owned by a man called Asif Aziz. That is who London Green Developments thought it had bought the tower from all those years ago. What seems to have happened is that when planning permission was granted, the value of the site increased and Golfrate refused to sell. A long legal battle ensued. The case went to court and London Green won, but then it went to the High Court and London Green lost. The existing owners, who were already very unpopular, could remain in control. Even without lifting a shovel, they found that their property, which was more rundown and ugly than ever, had increased in value.

Indeed, since the owners bought the tower more than 10 years ago, it has become increasingly rundown. All the tenants gradually moved out, until two years ago it was empty. The tower is now empty, dilapidated and unsafe. Green nets surround the building to prevent crumbling concrete from falling on people below. Last April work started on knocking down the unsightly and dangerous multi-storey car park, until the demolition firm discovered that the area's electricity substation was on the site. Realising the danger, the firm stopped, leaving us with a quarter-demolished car park surrounded by building rubble that in most areas would become missiles. Thanks to poor security fencing, the car park has frequently been broken into. A pornographic film is said to have been recorded there, and rough sleepers have been known to use it. It is hard to underestimate the blight. People talk about the broken window syndrome, which can bring an area down and increase crime and the fear of crime, but we have it in spades.

So who exactly owns the tower and what are they up to? Googling Asif Aziz throws up a lot of interesting information, as do searches for his companies, Golfrate and Criterion, and the numerous different companies connected to them, such as Yewbelle and Sutherland. Criterion Capital is reportedly worth £620 million. In 2006, Asif Aziz was reported to be Britain's seventh richest Muslim. He was born in Malawi, and his fortune is thought to have been made in Angola. Aged 16, he is said to have turned up in London one day, out of nowhere, to buy property in an auction. He has been accumulating more and more property ever since. It is not Asif Aziz's background that concerns me, however; it is what he is doing—or, more accurately, not doing—with his property that has upset residents not only in Colliers Wood but across south London.

I have conducted a little research, and found that the Golfrate tower is not the only grotty building owned by Mr Aziz and his companies. They also own the Trocadero. If Members have not been there recently, I should advise them that it is now a rather grubby and underused building. Once a landmark site at the heart of Piccadilly circus, it is now gloomy, empty and unattractive, with broken escalators and graffiti murals along the subway where the shop windows would be if they had not been boarded up. I gather that even the efforts to let some of the premises to the discount retailer T. K. Maxx have run into difficulty, partly because the Crown Estate also has an interest in the site, and it does not approve.

Other prime sites owned by Mr Aziz's company include 1, Leicester square and the well-known nightclub, the Fridge, next to Lambeth town hall, as well as numerous locations throughout south London, including Sutton's St Nicholas centre and shops in Tooting, Streatham and Brixton. Interestingly, in 2008, shortly before Woolworth's went out of business, it was left with a £1.6 million rent demand after the rent that it had to pay to Golfrate was nearly quadrupled to £900,000 a year and backdated.

Numerous residents around London have complained about Golfrate on activist websites. According to these sites, Golfrate appears to be buying up key town centre buildings and then doing the bare minimum with them. It is almost as though they were being bought simply to go on the books, with no intention of spending further money on maintenance or significant development.

In my constituency, Golfrate owns a number of key sites, and it seems to cause considerable resentment wherever it goes. Cavendish house in Colliers Wood is a three-storey office block. It used to contain the jobcentre, but it moved out. It still contains Colliers Wood library, but it is by far the grottiest library in the borough, with the worst facilities and, not surprisingly, the lowest user levels of any local library. The rest of the building is empty and rundown. The parking spaces are often used by fly-tippers. Also in Colliers Wood, the company owns the former Six Bells pub site. It is currently boarded up and dilapidated, although I gather that tenants have moved into the flat above, despite the fact that planning restrictions usually mean that people can live above a pub only if their work is connected to it. Mr Aziz and his companies also own another derelict block in Morden, the former Crown pub and nightclub. We were informed that that would be turned into the Morden Islamic centre, opening in May 2010. It has yet to open, however, and remains boarded up, dirty and unattractive, resulting in another town centre being blighted.

This is not just about buildings. Golfrate owns and runs a car park in Mitcham, on behalf of high street shops including Farm Foods and Peacocks. In 2009, there was a furore when dozens of motorists had their vehicles clamped or towed away by rogue clampers who changed the parking rules overnight. When I contacted the shops, they were so appalled about what had happened that they forced Golfrate to dismiss the clampers. This all shows that Mr Aziz and his companies have history, and do not necessarily have the best interests of local communities at heart.

A year ago, I organised a local meeting to try to get something done about the Golfrate tower. It was attended by more than 100 residents, as a result of which local resident Phil Richardson established a community group on Facebook: the Colliers Wood Tower Action Group. We were very angry that a multi-millionaire could simply buy up the biggest building in our community and leave it to rot. We got legal advice and were urged to use planning powers under the Town and Country Planning Act 1990 to force the owners to clean up the site and

[Siobhain McDonagh]

make it safe. After years of inaction, and thanks to the hard work of local residents and local councillors Nick Draper, Laxmi Attawar and Gam Gurung, the London borough of Merton finally used those powers to issue two separate section 215 notices. To be fair, this has helped. The weeds have been cleared and the security fencing is safer and more in keeping with the building, but neither notice has been fully complied with. In particular, the cladding has still not been repaired. Instead, the owners have gone back to the council saying that they now really want to fulfil the planning application that London Green obtained in 2005. Well, the residents will believe that when they see it. We are concerned that this is being used as a ruse to prevent the council from prosecuting them again.

In August, the owners held a meeting with officials at Merton council to discuss the planning application. Claiming that the recession meant that the 2005 scheme was no longer affordable—even though, as I have said, local flat prices are higher now than they were then—they tried to increase the number of flats in the development. When that did not work, they came back to say they wanted to renegotiate the 2005 scheme. Following threats of legal action—as we have seen, Aziz and his companies are not afraid of using the law—the council has been forced to consider a revised planning application. We have been advised that because of that new application, it would be hard to prosecute anyone for the condition of the site.

Faced with a ruthless and clever landowner, the community is powerless. Indeed, as the Royal Institute of Chartered Surveyors associate director at the centre of excellence said:

> "There is no specific Building Control legislation for making a development site visually attractive. Building Controls are more concerned that the site is secure and safe from unauthorised access... Unless there are specific conditions on the planning consent... the authorities have limited power when it comes to enforcement when a project is being constructed or left in abeyance. Many high-profile cases have won high court actions in challenging any enforcement notice issued by the authorities."

Councils cannot even use development completion notices. A Department for Communities and Local Government report, "Completion Notices", said that a threat of such a notice should be used mainly as a negotiating tool. After all, a notice has to give a developer at least 12 months to do the work. Even if it is not completed in that time, a landowner cannot be forced to do the work. That is why, according to Heather O'Sullivan, a professional support lawyer at Campbell Hooper, local planning authorities rarely use them, as they

> "prefer not to use these notices because the procedure is so time-consuming and the outcome is not sufficiently certain to guarantee the completion of part-finished schemes. Moreover, there are no penalties for non-compliance... and local planning authorities risk being left with part-built sites with no planning consent.

This is the crux of the problem. Most reasonable people can see that Golfrate has no serious intentions for the tower, but because the company is well financed, can afford good lawyers and its site is worth millions of pounds, we cannot take it on. Since buying the site, they have let it get into a worse and worse condition while the values go up and up. Is it right that communities like ours should suffer as a result of companies like Golfrate land-banking in this way? The residents of Collliers Wood say no. We have used the powers that we have; we have caused a nuisance and there has been a bit of progress, but the basic problem has got worse.

Earlier today, the Collier's Wood action group went to Mr Aziz's office to deliver a letter of demands and to hold a short demonstration outside his premises. He was not there to see us—well, that is not much of a surprise, as we have invited Mr Aziz to numerous meetings, and he never comes. The action group's demands are not unreasonable. We want him to repair the building so it is safe, and to re-clad the back ugly exterior in order to make it look better. We also want Mr Aziz to knock down the rest of the car park and convert the whole building into flats in line with the planning approval that was granted nearly six years ago.

At the heart of this, all we really want from Mr Aziz is for him to be a good neighbour—although if we are relying on people like him to behave decently of their own accord, we might have a very long wait. Communities such as those at Colliers Wood need new powers to let landowners like Mr Aziz know that we in our communities, big or small, will not accept the blight any longer. I hope that the Minister will take the side of communities, not unscrupulous multi-millionaires. When the powers that we have are not enough, we need more. When a decade passes and a community is gradually worn down as a result of the actions of ruthless developers, I hope that the Minister will not just stand by. Thank you for the opportunity, Madam Deputy Speaker, to put the case for Colliers Wood.

10.48 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): May I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate? I am grateful for the chance to set out the Government's position on "Planning blight and large property owners", which is the title on the Order Paper.

First, before going into more detail, it is as well to set out the background and to distinguish between planning blight, a term of art describing a form of statutory blight under part 6, chapter 2 of the Town and Country Planning Act 1990, and the kind of blight that occurs where buildings and sites are left vacant and unmaintained, adversely affecting the environmental quality of an area. It is the latter issue with which we are largely concerned this evening.

The hon. Lady mentioned planning permissions and it is worth bearing in mind that such permissions are normally granted for a period of three years from the date of decision, although this can be increased or decreased at the discretion of local authorities. In determining whether to permit a longer period, local authorities may wish to consider the economic circumstances and the ability of a developer to deliver the development. The Government consider that three years is a fair period to give the developer time to secure the necessary finance and to make arrangements to get on site and proceed with the development. It strikes the right balance between the commercial pressures that developers face and the need of the community to ensure that the development that they are promised materialises.

If developers are unable to proceed within the time period specified by the local planning authority, in certain circumstances they are able to apply for a replacement planning permission. That procedure was introduced in 2009 and its scope was expanded in October last year. A replacement planning permission is similar to a new planning permission but has less arduous consultation and information requirements, because principle and design have already been agreed. Local authorities have a lot of discretion over that procedure and how it applies in individual cases.

If a developer is unable to proceed with work on site, they face the prospect of the cost and uncertainty of having to apply for a new or replacement planning permission. That in itself is a major incentive for developers to get on site and start work within the allotted period. Sometimes, however, even with the best of intentions, things can go wrong for developers. Economic circumstances change, developers get into financial difficulties and projects can get stalled. It is important that the Government do what we can to remove bureaucratic barriers and support developers in delivering the housing and commercial developments that this country desperately needs.

We recognise, however, that there can also be circumstances in which landowners are not interested in progressing developments at all. They might simply try to make a profit on a site by waiting for it to increase in value, and might have no interest at all in what the site looks like in the intervening period. I think that that is the root of the hon. Lady's concern.

Where sites fall into disrepair, there can be a detrimental effect on local communities. As the hon. Lady rightly says, unused buildings can become a haven for drug users and other undesirable elements. The risk of falling masonry can pose a danger to passers-by, and general degradation of the environment can result. Where a building is dangerous and a threat to the local area, it is worth bearing in mind the provision for local authorities to serve a notice on the building owner to carry out works to remove that danger or demolish the building, under sections 77 and 78 of the Building Act 1984. I do not know whether that is appropriate in the case to which the hon. Lady refers, but the power is available generally to local authorities.

The Government take such degradation of buildings very seriously, and our first priority is to prevent such situations from happening in the first place. The Government have worked hard to prevent developers from building up banks of land, by making sure that they are required to start work on site within a timely period from the granting of planning permission. Where the state of the site has led to the quality of the environment being adversely affected, however, local authorities have a number of remedies available to them. The hon. Lady referred to the provisions under section 215 of the Town and Country Planning Act 1990, under which a local authority can, in certain circumstances, take steps to make good the loss of public amenity. If it appears that the amenity or part of the amenity of an area is being adversely affected by the condition of neighbouring land and buildings, the authority can serve a notice on the owner requiring that the situation be remedied. Such notices set out the steps that need to be taken, and the time within which they must be carried out.

The use of section 215 notices by local planning authorities is discretionary. It is up to the local planning authority to decide whether a notice under those provisions would be appropriate. The hon. Lady says correctly that at least one extant notice is still in operation in relation to the site to which she refers. For that reason, the House will understand why it is not appropriate for me to comment further on the case.

Other remedies are also available to local authorities when development has already begun and has stalled for one reason or another. For example, a local planning authority can—with the agreement of the Secretary of State—issue a completion notice, which will terminate a planning permission at the end of a specified period if the development is not completed. If it is not completed within the specified time limit, there will be no planning permission for the remainder of the development. Local authorities can take enforcement action once the completion notice comes into effect if the development is resumed at a later date.

A key driver of the localism agenda is giving communities a stake in the future of their areas, and enabling them to achieve real change. We are giving communities the ability and the incentive to plan positively for their futures, and to safeguard the things that matter to them. The measures announced in our Localism Bill should ensure that the desires and intentions that people express in regard to their local environment through the planning system result in real change on the ground, and that developments are delivered in a timely manner to the benefit of all concerned.

I know the hon. Lady will understand that we must strike a balance between the need to support developers in the challenging economic circumstances that we have inherited and the need to ensure that local communities have sufficient power and resources to protect themselves from the loss of amenity that comes with boarded-up and vacant sites. As I have said, discretionary powers exist to help local authorities to achieve that, and ultimately it is for the community to work with them to ensure that the problems associated with vacant buildings are dealt with in a fair, proportionate and responsible way.

Siobhain McDonagh: The Minister's use of the word "proportionate" suggests that we are discussing parties with equal power, but I hope that I have conveyed our feeling of powerlessness in the face of a large and wealthy organisation that is willing to go to law and has access to expert legal advice. Residents do not have that capacity, and local authorities are often frightened to engage with those who are very litigious.

Robert Neill: The hon. Lady will appreciate that planning policy relates essentially to land use. We cannot have a system that is determined by the economic capacity of the parties as such. What is important is that the local authority, in particular, has powers. While I realise that the scope of individual community groups may be limited, I understand that the London borough of Merton has taken powers in serving section 215 notices in relation to this case, so it has a remedy.

We propose to give local communities much more control over developments of this kind in the first place through our changes to the planning system and, in particular, our concept of neighbourhood planning. I suspect that had neighbourhood plans been established

[Robert Neill]

in Colliers Wood, a different view of such developments might well have been taken. The fact is, however, that this is an existing development with an extant permission, and the local authority must deal with the situation with which it is currently confronted.

Siobhain McDonagh: The point is, surely, that if a company has funds that enable it to invest in property and to do nothing with the planning applications that it receives other than sit and wait for the property price to rise, the planning process does not help. What local authorities need are greater powers of enforcement, and greater powers to require developers to be good neighbours.

Robert Neill: A number of steps have been taken in that regard. Until 2004, developers could extend the life of planning permissions by varying time limit conditions attached to existing planning consents. Because of concerns about land banking, the last Government amended section 73 of the Town and Country Planning Act 1990 in the Planning and Compulsory Purchase Act 2004 to prevent it from being used to vary such conditions. I have no issue with that. Those sort of steps were taken, and we also have to bear in mind that concern was expressed that action should be proportionate.

In addition, steps have been taken to examine the default length of planning permissions. As I say, the default length is three years, but local authorities have discretion under section 91 of the 1990 Act to grant permission for another period, having regard to the provisions of the development plan and other material considerations. The Department has previously issued letters to the chief planning officers reminding them of their discretion in this regard. Precisely because this issue is discretionary for the local authority it would be wrong for them or certainly for a Minister to try to fetter that. We can simply put in place the tools for them to use, if appropriate, and remind them if they are available. I do not know what consideration Merton council gave to those matters, but it is clear that it did take steps in relation to the section 215 notices in this case.

I understand the hon. Lady's frustration. It may well be that when the Government consult in due course on the changes that we are making to the planning framework with our national planning priorities framework, both her local council and others who are concerned about this matter will wish to make representations as to what further can be done. One has to bear in mind that because proprietary interests are affected, whatever the rights and wrongs of the issue, any action has to be taken in a manner capable of being sustained, because it has to be justiciable. Therefore, the authority has to act in a quasi-judicial fashion and the Department has to make sure that any advice it gives in any legal framework that it sets in place is consistent with our legal obligation to fairness on both sides.

It is always difficult in a debate such as this to deal with individual cases, particularly while there are existing proceedings. These have the potential to result in court proceedings, because a fine can be imposed if they are not complied with. Although it is not possible to be more specific about particular cases, I can assure the hon. Lady that the Government are alert to these issues and are, of course, always looking to see whether there are sensible means of keeping these rules up to date. I hope that the pressure being applied and the good work that is clearly being done by people in Colliers Wood and the neighbourhood action group, together with their councillors, will have an effect on the owners of the building. Equally, I am sure that she will understand why it is not appropriate for me to say more than I already have about the particular circumstances of a case where, in effect, enforcement-type proceedings—section 215 proceedings—are ongoing.

Question put and agreed to.

11.3 pm

House adjourned.

House of Commons

Tuesday 25 January 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

GP Commissioning

1. **Mark Lancaster** (Milton Keynes North) (Con): What recent progress he has made in introducing GP commissioning consortia. [35632]

3. **Stephen Mosley** (City of Chester) (Con): What recent progress he has made in introducing GP commissioning consortia. [35634]

6. **Nick de Bois** (Enfield North) (Con): What recent progress he has made in introducing GP commissioning consortia. [35637]

8. **Mr Matthew Offord** (Hendon) (Con): What recent progress he has made in introducing GP commissioning consortia. [35639]

11. **Christopher Pincher** (Tamworth) (Con): What recent progress he has made in introducing GP commissioning consortia. [35642]

The Secretary of State for Health (Mr Andrew Lansley): Last week, I announced the second wave of GP-led pathfinder consortia. There are now 141 groups of GP practices piloting the future GP commissioning arrangements. Those groups are made up of more than 4,000 GP practices, with over half the population starting to benefit from services that better meet their needs and improve outcomes for patients. The Health and Social Care Bill, which had its First Reading last week, sets out the legislative framework that supports our reforms.

Mark Lancaster: Consortia in Milton Keynes have been given £1 per patient as a transition fund. That money is most welcome. It will rise to £2 per head next year. The problem, however, is that the fund is proving hard to access because of the bureaucratic nature of the local primary care trust. Will the Secretary of State look into that and ensure that the money is accessible?

Mr Lansley: I entirely understand my hon. Friend's point. The PCT's role is to support the development of consortia, not inhibit it. The operating framework that was published last month sets out the range of support that PCTs should be offering emerging consortia. Milton Keynes PCT has confirmed that it will actively support Premier MK, one of two consortia in the area, with its application to become a pathfinder, and that it is actively working with another consortium in the Milton Keynes area.

Stephen Mosley: Pathfinder consortia will play a crucial role in improving the NHS, so it is imperative that any problems are sorted out as quickly as possible. How does my right hon. Friend propose to help any pathfinder consortium that finds itself in the unfortunate position of failing to deliver the results expected of it?

Mr Lansley: My hon. Friend makes an important point. He will recall that before the election, the Select Committee on Health severely criticised the way in which primary care trusts were going about commissioning. We are looking to consortia because they are clinically led and responsive to patients in designing far better clinical services, and they will have considerable support in doing so. Over the next two years, we will enable them to develop support arrangements, whether through existing primary care trust teams, local authorities, the NHS commissioning board, or a range of voluntary and independent sector organisations.

Nick de Bois: Will the Secretary of State outline the role that charities and voluntary organisations will play under GP commissioning to ensure that the needs and views of patients are at the heart of services?

Mr Lansley: To give my hon. Friend one example, last Friday I spoke to the Motor Neurone Disease Association, which has developed a commissioning support organisation with the Multiple Sclerosis Society and Parkinson's UK. The voluntary sector can therefore be involved directly in helping GP consortia to commission for those critical diseases more effectively. My hon. Friend might have seen what Sir Stephen Bubb, the chief executive of the Association of Chief Executives of Voluntary Organisations, said last week:

> "These reforms could herald a new and dynamic relationship between local GPs and charities that both deliver good services and act as a powerful voice for patients."

Mr Offord: My constituents in Hendon are eager to see the improvements in health services that I believe GP commissioning will bring about. Will my right hon. Friend give examples of where GPs have had the freedoms and responsibilities that we can expect in Hendon?

Mr Lansley: My hon. Friend might like to speak to general practitioners in Redbridge in London who, as a pathfinder consortium, have been pioneering GP-led commissioning for 18 months. They have redesigned care for patients with diabetes and coronary artery disease, and are shifting care in ophthalmology and dermatology to primary care settings. They are demonstrating how this form of locally and clinically-led commissioning is more responsive to patients and more effective.

Christopher Pincher: As we shift from PCTs commissioning services to GP consortia doing so, can my right hon. Friend confirm that the important work done by pharmacies, such as providing anti-smoking clinics and the supervised consumption of drug substitutes, will not be left out in the cold?

Mr Lansley: My hon. Friend enables me to say that I and my colleagues entirely understand and endorse the stronger role that pharmacies can play, including by assisting with the provision of services such as minor ailments services and medicines use reviews, which will be commissioned through arrangements led by the NHS commissioning board. In addition, the services that he describes, such as stop smoking services, will be commissioned as part of the public health efforts, which will be led by local authorities through their local health improvement plans.

Emma Reynolds (Wolverhampton North East) (Lab): Will the Secretary of State comment on the apparent conflict between, on the one hand, a general practitioner being an advocate for their patient and taking purely clinical decisions and, on the other hand, GPs having to allocate resources in the new system? Will that conflict not lead to a breakdown of trust in the relationship between the GP and their patients?

Mr Lansley: I am afraid the hon. Lady sees a conflict where, to GPs, there is none. It is their responsibility—*[Interruption.]* No, their first duty is always to their patients, whose best interests they must secure. When she has an opportunity to look at the Health and Social Care Bill, which we published last week, she will see that it makes very clear the duty to improve quality and continuously to improve standards. We all know that we have to achieve that with finite resources, but we will do that much better when we let clinical leaders influence directly how those resources are used rather than letting a management bureaucracy tell them how to do it.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Can the Secretary of State explain why, at a time when front-line NHS staff in my constituency and elsewhere across the country are in fear of their jobs, it is proposed that the NHS commissioning board will be able to make bonus payments to a GP consortium if, to quote the Bill,

"it considers that the consortium has performed well",

and that a GP consortium may

"distribute any payments received by it…among its members"?

Is that not the worst kind of excess? We do not want to see it in our banking system, and we certainly do not want to see it in our NHS.

Mr Lansley: I am glad to have the opportunity to welcome the hon. Lady to the Opposition Benches and wish her well in representing Oldham East and Saddleworth. I am sorry that she did not take the opportunity to welcome in particular the Government's commitment to the new women and children's unit at the Royal Oldham hospital.

For years, general practices have been remunerated partly through a quality and outcomes framework. The principle is that if they deliver better outcomes for patients, they should have a corresponding benefit from doing so. In the same way, if the commissioning consortia deliver improving outcomes for patients, that should be recognised in their overall reward.

John Healey (Wentworth and Dearne) (Lab): The Secretary of State talks a lot about GPs using £80 billion of public money to commission services, but if they are to carry on being family doctors, the planning, negotiating, managing and monitoring of hundreds of commissioning contracts will be done not by GPs but in their name, either by the people who do it now in primary care trusts or by the big health companies that are already hard-selling the service to new GP consortia. Is he not deliberately disguising the true purpose of his changes, which is to open up all parts of the NHS to big private health care companies?

Mr Lansley: On the contrary, the purposes of the Bill are very clear to see—for example, the duty to improve quality and raise standards throughout the health service. I hope that the shadow Secretary of State will acknowledge that putting clinical leadership at the heart of the system is essential. I entirely understand that leadership is not the same thing as management, as do general practitioners. The Prime Minister and I will meet the first wave of pathfinder consortia tomorrow, and we will support them in taking clinical leadership in designing services for patients and bringing to bear the best management support in doing so.

John Healey: Why will the right hon. Gentleman not be straight with the public? I have with me the White Paper—57 pages and only three references to the market, all of them to the social market. He talks about GP commissioning, but not about the hard-line political ideology that underlines these changes. The Bill puts no limit on the use of NHS beds and staff to treat private patients, it puts no limits on big private health care companies undercutting and undermining local hospitals, and it puts at the heart of the new system an economic regulator charged not with improving services but with guaranteeing and enforcing competition. Is this NHS reorganisation not like an iceberg, with the substantial ideological bulk being kept out of the public's sight?

Mr Lansley: The shadow Secretary of State cannot actually criticise what we put forward in the White Paper or the Bill and is resorting to inventing something else and attacking that. Let me tell him that the one thing we will not do with the private sector is rig the market so that private companies get contracts and guaranteed money whether or not they treat patients. We are not going to give them 11% more money than the NHS would get for doing the same work. We will give NHS organisations a proper chance to deliver services for patients.

Liz Kendall (Leicester West) (Lab): Whatever the Secretary of State claims about his reorganisation, a King's Fund survey showed that more than three quarters of doctors do not believe that it will improve patient care, and even his Department's impact assessment on the Health and Social Care Bill says that the reorganisation risks distracting staff and making them less focused on patient care.

Will the Health Secretary now confirm that the number of patients waiting more than six weeks for their cancer test has already doubled under this Government, and that routine operations are being cancelled? Will he finally listen to the Royal College of Nursing and the British Medical Association, which have told him that his plans are

"extremely risky and potentially disastrous"

for the NHS and patient care?

Mr Lansley: I find it astonishing that the hon. Lady should attack the NHS because some elective operations have been cancelled. We have been through a flu outbreak and very severe weather, and that is what happens as a consequence. She should not try to make a political point out of it.

It is also astonishing that the hon. Lady gets up and says that she does not agree with our policy. On 3 December, she is quoted in *GP* news as saying that

"it is 'absolutely right' that GPs are 'better involved' in commissioning services."

She supported it. The truth is that before the election the Labour Government instituted practice-based commissioning, introduced foundation trusts, started payment by results and said that patient choice was right. The shadow Secretary of State said just last week that

"these plans"—

our plans—

"are consistent, coherent and comprehensive",

and indeed they are.

Tim Farron (Westmorland and Lonsdale) (LD): Cumbria's current health commissioners—the PCT—chose to scrap the heart unit at Westmorland general hospital, despite medical, clinical and public opposition. Will the Secretary of State confirm that new GP fundholding arrangements allows the possibility of returning services that are clinically supportable, such as a heart unit at Westmorland general?

Mr Lansley: I know, not least from visiting that hospital, how strongly people in my hon. Friend's area feel about their access to services locally. I am pleased to say that he will see in the Bill that one of the duties of the NHS commissioning board is to reduce inequalities in access to health services, and GPs can do precisely that.

Mr Stephen Hepburn (Jarrow) (Lab): The Secretary of State knows fine well that the British public knew nothing at the general election of his plans dramatically to dismantle and privatise the NHS. Will he give them a say now and have a referendum on the issue?

Mr Lansley: Since we have no plan either to dismantle or to privatise the NHS, it is no surprise that people were not told of any such plan. Before the election and in the Conservative manifesto, people were told of our determination to cut bureaucracy and get money to front-line care. They were told of the determination of both parties in the coalition to get decision making close to the front line, to enhance accountability, including democratic accountability, and to give greater responsibility to clinicians to lead the development of services.

Cancer Survival Rates

2. **Charlie Elphicke** (Dover) (Con): What steps he plans to take to increase cancer survival rates. [35633]

10. **Graham Evans** (Weaver Vale) (Con): What assessment he has made of the effects on survival rates of his Department's cancer strategy. [35641]

The Minister of State, Department of Health (Paul Burstow): We published "Improving Outcomes: A Strategy for Cancer" on 12 January, which sets out a range of actions to improve cancer outcomes, including diagnosing cancer earlier, helping people to live healthier lives to reduce preventable cancers, screening more people, introducing new screening programmes, and ensuring that all patients have access to the best possible treatment, care and support. Through those approaches, we aim to save at least an additional 5,000 lives every year by 2014-15.

Charlie Elphicke: May I raise the case of my constituent, Suzanne Lloyd, who was diagnosed with breast cancer a decade ago? She was told that she had two years to live, but has successfully battled cancer for the last decade. The problem is that she has also been battling health chiefs to give her the drugs that she needs to extend her life. Will the Minister tell the House about measures to increase longevity through greater drug access?

Paul Burstow: Just last year the national clinical director published a report on the extent and causes of international variations in drug usage, which revealed that the UK tends to lag behind other countries in its use of newer cancer drugs. That is one reason why we have introduced the interim cancer drugs fund of £50 million in this current year and will introduce the full fund of £200 million from this April. That will help my hon. Friend's constituent.

Graham Evans: What steps is my hon. Friend taking to ensure that all GP consortia will have access to the expertise they need to commission cancer services effectively?

Paul Burstow: The national cancer director will work with pathfinder GP consortia on commissioning cancer services, and that work will be fed into a cancer commissioning support pack that will be developed to support GP commissioners in discharging their functions effectively. Cancer networks will also be well placed to support GP consortia in that activity.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): We all agree that properly evaluated, appropriately prescribed drugs make a big difference to survival, which is why patients welcome what was described as the additional special fund, of which Ministers made mention this afternoon, of £200 million for the coming two years. Why is it, therefore, that the budget for Sheffield has been top-sliced for next year to the tune of £1.5 million to pay towards this £200 million, which was supposed to be additional—to add to and not subtract from—what was available through GP commissioning?

Paul Burstow: The NHS has real-terms increases in its resources, and those resources are going into the programme that we outlined in our outcome strategy. Three quarters of a billion pounds will be going into that programme to deliver improvements in cancer services and the £200 million, being extra, will go into improving cancer services. That is the commitment that the Government have made and that is the investment that we will make.

Emily Thornberry (Islington South and Finsbury) (Lab): Is the Minister listening when Macmillan warns that the proposed changes to the NHS risk us losing expertise in the cancer networks? If that happens, Macmillan says that

"cancer treatment will get worse...some treatments could even collapse in parts of the country...more patients could die earlier".

As the Minister in charge of cancer services, should not he be on the side of cancer patients, not backing his boss's reckless reforms?

Paul Burstow: The last comment was pretty cheap, and no Government Member has suggested that the future of the cancer networks is in doubt. Indeed, in the coming financial year, the funding is secure. As we move to the new arrangements, it will be for the NHS commissioning board to decide the appropriate arrangements for commissioning in the future. We are clear that the expertise of those groups could, should and will continue to be used to support commissioning in the future.

Social and Health Care

4. **Annette Brooke** (Mid Dorset and North Poole) (LD): What steps he is taking to improve co-ordination of social care and health care for the benefit of patients. [35635]

The Minister of State, Department of Health (Paul Burstow): We have set out in the White Paper "Equity and Excellence: Liberating the NHS" and the Health and Social Care Bill how we will deliver the coalition programme for Government commitment to promote greater integrated working. This includes local authorities taking the lead role in the future in joining up local NHS services, social care and health improvement via council-led health and well-being boards.

Annette Brooke: Can my hon. Friend assure me that there will be a joined-up approach when addressing patients' interests and complaints when they straddle social care? Perhaps a single point of contact for a complaint would be a good step forward from what we have now.

Paul Burstow: My hon. Friend is right to draw attention to the need to integrate not only the way in which we deliver and plan services, but the way in which we manage complaints. That is why the Government have included in the Bill our proposals for the establishment of local healthwatch and healthwatch England. Local healthwatch will have the ability to deal with complaints and also have the capacity to refer concerns about services to the Care Quality Commission so that it can take the necessary steps to investigate. In that way, we will deliver a more integrated system for dealing with such complaints.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Is the Minister aware that most of us are in favour of much better co-ordination of these services, but we worry about the backdrop of the reforms? In Yorkshire, some doctors are saying, "Come on, guys, this is a bonanza and we will all be California-style millionaires under these reforms." What sort of a backdrop is that for health care reforms and better co-ordination of services?

Paul Burstow: The backdrop that the hon. Gentleman has just painted is a rather thin one. In fact, it does not exist at all. The Government set out in the Bill we published last week that there will be clear responsibilities on GP commissioning consortia, working in partnership with their colleagues in local government, to commission services in ways that will improve quality of life for people in his constituency, my constituency and the constituencies of all hon. Members.

Mr Stephen Dorrell (Charnwood) (Con): Does my hon. Friend agree that improved co-ordination between health and social care is fundamental to the delivery of the efficiency challenge faced by the health service and social services? Does he further agree that the £1 billion provided by the health service to reinforce that relationship is an important step taken by the Government to reinforce that interface? Can he assure the House that, as we move into the new world, the existing arrangements for good practice across that interface will be preserved?

Mr Speaker: Order. I know that three questions will attract one answer from the Minister.

Paul Burstow: The answer to all those questions is yes. The right hon. Gentleman is right to draw attention to the additional money going into social care via the NHS. It is intended to kick-start the collaborative working that was often so absent under the previous Administration.

Dame Anne Begg (Aberdeen South) (Lab): The care that someone gets can be defined as either "social care" or "health care", and that can determine the benefits to which an individual is entitled. With that in mind, what conversations has the Minister had with the Minister with responsibility for disabled people about the Government's proposal to withdraw mobility disability living allowance from those staying in residential care?

Paul Burstow: I and the Minister responsible for disability issues in the Department for Work and Pensions meet regularly. In fact, a further meeting on this and other matters is coming up shortly.

Alcohol Misuse (Young People)

5. **Fiona Bruce** (Congleton) (Con): What recent steps he has taken to reduce levels of alcohol misuse among young people. [35636]

The Parliamentary Under-Secretary of State for Health (Anne Milton): The public health White Paper, "Healthy Lives, Healthy People", sets out how society can harness the efforts of individuals, families, local and national Government, and the private, voluntary and community sectors to take better care of our children's health and development.

Fiona Bruce: I thank the Minister for that reply. Hon. Members will be aware of the recent publicity given to vodka eye-balling, which is a dangerous practice. Members of the ArcAngel volunteer team in my constituency are going into schools seeking to alert young people to this and other dangers of binge drinking and excessive alcohol abuse. What support can the Minister offer to ensure that we can eradicate, in particular, the dangerous practice of vodka eye-balling?

Anne Milton: I thank my hon. Friend for her question, particularly in highlighting this extraordinary practice. I have to say, it was news to me. I congratulate the efforts of that local organisation on highlighting this

sort of issue with school children. There is no doubt that vodka eye-balling can cause damage to the surface of the eye, ulceration and scarring. Although it has got some publicity, however, a lot of young people are likely to be drunk in the first place when they do it, so the effects are probably overestimated.

Mr Kevin Barron (Rother Valley) (Lab): Did the Minister hear the report on Radio 4 this morning that in the past decade there has been a 50% increase in the number of young people in their 30s being admitted to hospital with alcohol-related liver disease? Does she think that we ought to be looking at how alcohol is promoted and advertised around young people?

Anne Milton: I thank the right hon. Gentleman for his question. I heard the report, and I think that it made particular reference to the worrying trend among young women as well. There is no doubt that our public health White Paper is timely. We need to do something about this. It is important to remember that no one tool will fix this problem; we need to take a wide variety of measures and alter, in particular, young people's relationship with alcohol. However, we will not do that until we get a proper strategy out there.

Simon Hughes (Bermondsey and Old Southwark) (LD): Do Ministers clearly understand that the price of alcohol is a relevant consideration? Will they look at whether we can get relatively cheaper prices for soft and sports drinks? They are a viable alternative for many young people, but the price is often double that for alcohol.

Anne Milton: I thank the right hon. Gentleman for his question. There is no doubt that price is one of the tools to which I referred. However, we need to take a huge number of actions. Reforming the Licensing Act 2003 via the Police Reform and Social Responsibility Bill will bring in a number of measures—for instance, doubling the fines for under-age alcohol sales to £20,000 and giving councils and the police the power to shut permanently shops or bars that persistently sell alcohol to children. That is one other way. Also, the Bill will make local health bosses responsible authorities for licensing decisions. That is an important shift and demonstrates the fact that this is everybody's problem—no one public body can cure this on its own.

NHS Reorganisation

7. **Alison McGovern** (Wirral South) (Lab): What recent representations he has received on his plans for the internal reorganisation of the NHS; and if he will make a statement. [35638]

17. **Bridget Phillipson** (Houghton and Sunderland South) (Lab): What recent representations he has received on his plans for the internal reorganisation of the NHS; and if he will make a statement. [35648]

The Minister of State, Department of Health (Mr Simon Burns): The Government received more than 6,000 responses to the NHS White Paper consultations. As a result, we have strengthened both our approach to implementation and our proposals in the Health and Social Care Bill, which was introduced in Parliament last week.

Alison McGovern: The Government have embarked on a reorganisation of our health service that involves altering the commissioning process, handing responsibility to those with less experience of contracting, and at the same time unleashing the market, allowing a whole load of new providers in. What risks does the Minister see might be associated with that approach?

Mr Burns: The risk is that if we do not go ahead with these reforms, which are crucial to raising standards and improving outcomes, patient care, survival rates and treatment, we will be doing a grave disservice to the people of this country.

Bridget Phillipson: Last week, north-east regional board members of the British Medical Association made it abundantly clear to me and other north-east colleagues that they have serious concerns about the Government's plans and that they risk patient care. How is it that the Minister is right and they are wrong?

Mr Burns: Because I am afraid that the hon. Lady has not read the whole document, in this case from the BMA, or those from other organisations. What many say, including the BMA, on many of the proposals is that they are supportive of them, but naturally the hon. Lady and others cherry-pick those parts that suit their arguments.

Patrick Mercer (Newark) (Con): The Minister will be only too aware of the worries of my constituents in Newark about the future of the hospital. Will he assure me that the internal reorganisation of the NHS will run in parallel with and improve the delivery of the Newark health care review, rather than the contrary?

Mr Burns: Yes, and let me reassure my hon. Friend—because last summer I had the pleasure of joining him to visit what is an excellent hospital for the people of Newark—that under our reforms, given the commissioning powers of the GP consortia in the area, they will be able to help strengthen and tailor the health care that the hospital delivers, ensuring that it meets the needs of the people of Newark.

Mr Edward Timpson (Crewe and Nantwich) (Con): How does my hon. Friend envisage the commissioning of ambulance services under the new GP commissioning regime?

Mr Burns: Ambulance services will be commissioned through the GP consortia at the local level. What I envisage—this is not prescriptive from the Department of Health, but what I think will develop—is that, just as ambulance services are currently commissioned for geographical areas in England through one PCT, the consortia will appoint lead consortia to commission the services for that area.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does the Minister agree with the representations of the Select Committee on Health, chaired by the hon. Member for Charnwood (Mr Dorrell), when it said that it was

"surprised by the change of approach between the Coalition Programme"

in May

"and the White Paper"

in July? The Committee continued:

"The White Paper proposes a disruptive reorganisation of the institutional structure of the NHS which was subject to little prior discussion and not foreshadowed in the Coalition Programme."

If he cannot convince his hon. Friend the Member for Charnwood, how is he going to convince the rest of us?

Mr Burns: Let me begin by congratulating my, in fact, right hon. Friend the Member for Charnwood on the report that his Committee produced. The Government will give a full response to it in due course, as is usual. What I would tell the hon. Lady is that what happened in the Bill and the White Paper was what we and our coalition colleagues, the Liberal Democrats, had outlined in our election manifestos, which—*[Interruption.]* Hon. Members may say that, but I suggest that they look at pages 45 to 47 of the Conservative manifesto, which probably very few of them have bothered to do. GP commissioning, along with "any willing provider" et al, are there, and if one looks at the Liberal Democrat one—*[Interruption.]*

Mr Speaker: Order. The Minister's answer must be heard.

Mr Burns: I am extremely grateful, Mr Speaker.

If we look at the Liberal Democrat manifesto, we can see that it also contains proposals for the abolition of strategic health authorities. The hon. Member for Hackney North and Stoke Newington (Ms Abbott) has alluded to the abolition of PCTs, and the reason for their abolition is that, when we have given the commissioning to GP consortia and the public health responsibilities to local authorities, there will be no job for the PCTs to do. Why keep them? There will be £5 billion savings during this Parliament that can be reinvested in front-line services.

Video Link Consultations (Prisons)

9. **Philip Davies** (Shipley) (Con): What assessment he has made of the effectiveness of video link medical consultations in prisons. [35640]

The Minister of State, Department of Health (Paul Burstow): The Department has made no assessment. PCTs and prison partnerships may consider using telemedicine as an alternative to hospital appointments for offenders, after considering any security issues and the benefits for improved health care. Decisions about treatments for offenders, including video link consultations, are made by local commissioners.

Philip Davies: Red Embedded Design, an SME technology company in my constituency, is working in partnership with Airedale NHS Foundation Trust to enable video link medical consultations to take place in prisons. May I suggest that the Minister look closely at this scheme, which has been rolled out in a number of prisons? He will see the cost benefits and the lack of risk of absconding involved. Will he encourage other PCTs around the country to introduce the system in their prisons?

Paul Burstow: As part of a wider programme, a demonstrator project looking at telemedicine and telecare, we are looking at a possible roll-out of such approaches. In regard to the specific case of the Airedale NHS Foundation Trust, I would be only too happy to look further at the details and the benefits that have arisen.

Mr Denis MacShane (Rotherham) (Lab): Telemedicine is obviously a help, but nothing beats talking to a real human being about our medical problems. Would the ministerial team consider copying the Conservative-Liberal Government in Sweden, who have banned from all public agencies, including health agencies, automatic answering machines—the kind that tell us to "Press 1", "Press 2" or "Press 3"? Instead, people calling those agencies have to speak to a real live Swede in Sweden. Would not that be a good step forward for our health service?

Paul Burstow: The right hon. Gentleman has found a cunning way of getting in a point that does not directly relate to the question. He makes a very fair point, however. It is important that people should feel confident that, when they pick up the phone and make a call, they can speak to a person. Telemedicine can provide that route as well, through allowing people to get a diagnosis and treatment, as well as access to the appropriate support at the right time.

BCG Vaccine

12. **Nic Dakin** (Scunthorpe) (Lab): If he will take steps to increase the availability of the BCG vaccine for children. [35643]

The Parliamentary Under-Secretary of State for Health (Anne Milton): I should point out to the hon. Gentleman that there are no problems with the availability of the BCG vaccine. I am also aware that he takes a personal interest in this subject because of his local experience. I am confident that those most at risk of contracting tuberculosis are being offered the BCG vaccination as part of a targeted national programme.

Nic Dakin: Does the Minister not think that it is time to widen that targeted national programme? Tuberculosis is an airborne infection, and it covers a broader area than the areas that are being focused on at the moment. Would not the widening of the programme improve protection?

Anne Milton: Yes, I would just like to point out to the hon. Gentleman that TB has changed from being a disease of the whole population to one that affects high-risk groups. In fact, the Joint Committee on Immunisation and Vaccination looked at this in 2005 and reaffirmed it in 2009. We are confident that this targeted approach is the best way of addressing the problem.

NHS Waiting Times

13. **Mr Ben Bradshaw** (Exeter) (Lab): What assessment he has made of the likely effects on waiting times of his proposed reorganisation of the NHS. [35644]

The Minister of State, Department of Health (Mr Simon Burns): The proposed changes will focus the NHS on quality and the results that matter to patients—such as how successful their treatment was—and not just on bureaucratic processes such as waiting time targets. Waiting times are important to patients, along with the quality of their experience and outcomes, which will drive improvements in the future.

Mr Bradshaw: Well, what a revelation! I think that the Minister will find that the public do care about waiting times. Will he confirm that waiting times are already going up, that more people are already waiting more than 18 weeks—the maximum that we achieved when we were in government—and that the performance of accident and emergency departments has deteriorated since he watered down our A and E targets?

Mr Burns: I think that the right hon. Gentleman either did not hear my earlier remarks or had penned his question prior to hearing them. What I said was that waiting times are important to patients—and if he looks at the record tomorrow, he will see that. May I also explain to him that the average median time for the latest month available—November—shows patients completing a referral to treatment pathway in about 8.3 weeks? The right hon. Gentleman's comments on A and E are just factually wrong and somewhat cheap.

Mr John Baron (Basildon and Billericay) (Con): There are concerns that some of the expertise of cancer networks might be lost because of the funding gap between the end of the Government's funding for the networks and the transition to full GP commissioning. Will the Government consider bridging this gap, at least until GP consortia are fully up and running—and therefore better able to make informed decisions about the commissioning of cancer network services?

Mr Burns: I am grateful to my hon. Friend in view of the considerable interest he takes and work he does in this field of health care. Let me reassure him that we have guaranteed the funding for next year, so it can work itself out to a successful conclusion thereafter through the cancer networks in the commissioning plans.

Derek Twigg (Halton) (Lab): Under Labour, hospital waiting times were at a record low and satisfaction with the NHS in its current form was at a record high. Over the last few months, however—no matter how much the Secretary of State does not like it—we have seen more and more operations cancelled or postponed at our hospitals. A number of nurses in my constituency have written to tell me that they are short staffed. One of them pointed out that

"those who have left are not being replaced".

Is that not the true picture of what is going on in the NHS at the moment? If the Minister is confident in his Secretary of State's plans for the NHS, will he guarantee that under those plans, hospital waiting times will not rise—or is he going to duck the question like the Prime Minister did last week?

Mr Burns: Under these reforms, by concentrating on raising quality and outcomes, we will give improved quality health care for patients. What I can guarantee is that under these reforms, when implemented, people will not only get improved quality treatment but will see times based on clinical decisions rather than being distorted by political processes.

Elective Treatments

14. **Fiona Mactaggart** (Slough) (Lab): What recent discussions he has had with primary care trusts on their policies on halting elective treatments in cases where such treatment has been demonstrated to be effective. [35645]

The Minister of State, Department of Health (Mr Simon Burns): Strategic health authorities have recently been reminded of the statutory commissioning responsibilities of their primary care trusts in this area, and the need to base commissioning decisions on clinical evidence and discussions with local GP commissioners, secondary care clinicians and providers.

Fiona Mactaggart: What is the Minister's response to the trusts that have been saving money by halting procedures such as hip and knee replacements, hernias and hysterectomies, which have proved to be clinically effective? My constituent, John Deas, has just lost the care of the nurse practitioner who has managed his prostate cancer over some years and has been referred to a GP who will not see him. As the president of the Royal College of Surgeons said that the immediate need to

"save money by going for the soft targets of elective surgery will leave a lot of people with unpleasant symptoms and build up future health problems. Medically that makes no sense."

Does it make any sense governmentally?

Mr Burns: I am sorry to hear about the example that the hon. Lady mentioned; if she would like to write to me with the details, I would be more than happy to look into it. PCTs have a continuing responsibility to provide clinical treatment for their patients. Obviously, once the PCTs cease to exist, that will happen through the GP consortia and the national commissioning board. There is also a legal right in the NHS constitution for patients to be treated when they need to be.

Mr Stewart Jackson (Peterborough) (Con): A number of patient groups across the country are concerned about the future of in vitro fertilisation treatments, particularly when many PCTs downgraded it and put it on a par with things like tattoo removal and cosmetic surgery. Will the Minister confirm that, in future, IVF treatments will fall under the remit of the NHS commissioning board?

Mr Burns: Let me reassure my hon. Friend on IVF. PCT commissioners should have regard to the National Institute for Health and Clinical Excellence guidelines for fertility treatment, including to the recommendation that up to three cycles of IVF treatment are offered to eligible couples. To reinforce this, in November last year, the NHS operations board reminded PCTs, through the SHAs, of that responsibility. Indeed, Mr David Flory of the Department of Health has in the last month or so written to PCTs to remind them of their responsibilities.

Medical Aids

15. **Andrew Selous** (South West Bedfordshire) (Con): What recent estimate he has made of the monetary value of medical aids issued to patients by hospitals and not returned in the latest period for which figures are available. [35646]

The Parliamentary Under-Secretary of State for Health (Anne Milton): As my hon. Friend knows, NHS patients are provided with NHS aids free of charge and requested to return them when they are no longer required. Obviously the cost of recovery must be weighed against the cost of the items being lent, but it is the responsibility of the local NHS to monitor the position and arrange for the recovery of medical aids when that is safe and cost-effective.

Andrew Selous: For many years the experience of my constituents, and indeed my own family, has been that hospitals often provide patients with, for example, crutches, without ever asking for them back. I accept that this is a matter for the management of local hospitals, but does my hon. Friend agree that the Department has an interest in ensuring value for taxpayers' money, and that the medical aids involved could be used by other patients who need them?

Anne Milton: I agree. One always hopes that people will act responsibly, and that they or their families will return medical aids. My hon. Friend may know that Bedford hospital has organised a scheme for the collection of aids, and that a number of voluntary organisations are also involved. However, the cost of collection and decontamination or cleansing is sometimes greater than the cost of the equipment itself. Crutches, for instance, cost between £11 and £20. Such is life today.

Topical Questions

T1. [35657] **David Rutley** (Macclesfield) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the national health service in delivering improved health outcomes in England, to lead a public health service which improves the health of the nation and reduces health inequalities, and to lead the reform of adult social care which supports and protects vulnerable people.

David Rutley: Cheshire East council is working closely with local health care partners in my constituency to tackle the growing challenge of alcohol abuse, which not only causes serious illness and injury but costs our local primary care trust £34 million a year. Does my right hon. Friend agree that that is the right way in which to tackle this growing problem, and will a member of his ministerial team meet me, along with representatives of the council, to help secure the best possible outcomes in Macclesfield?

Mr Lansley: Of course we will support the efforts of my hon. Friend and his local council to tackle alcohol abuse. He will have heard what was said earlier by the Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), which I entirely endorse.

Local authorities and their communities should have a greater say in what happens in their areas. We will enable them to do so, through the Health and Social Care Bill, the establishment of local health improvement plans, and—as my hon. Friend the Under-Secretary said—the alcohol strategy that we will introduce following the public health White Paper later in the year.

T3. [35659] **Ian Lavery** (Wansbeck) (Lab): Does the Secretary of State envisage a time when GP consortia may be purchased by foreign companies, and operated and administered thousands of miles away across the globe?

Mr Lansley: No, I do not. I am glad that the hon. Gentleman has asked that question, because I think that there is a world of difference between the question of the exercising of clinical leadership by general practices as members of a consortium in an area and the question of from whom they derive management support. I believe that many will derive it from existing PCT teams, the voluntary sector and local authorities. Sometimes the independent sector will be involved, but it is a question of the consortium choosing where to go rather than being taken over.

T2. [35658] **Margot James** (Stourbridge) (Con): Some care homes that have received critical reports from the Care Quality Commission are reopening under the same management but with different names. The CQC's practice is to remove earlier poor reports from its website, leaving potential customers in the dark about the poor record of those homes. Will the Minister remind the CQC of its responsibility to highlight poor practice in care homes, and request that it change its practice?

The Minister of State, Department of Health (Paul Burstow): I will certainly ensure that the CQC understands that that is a matter of concern. When it discharges home owners and deregisters them, after receiving an application for a fresh registration, it conducts a thorough appraisal and assessment of their fitness to provide the service. The new owner of a home may well have done a great deal of work in improving the quality of training given to staff, but I agree that it ought to be possible for people to look at the CQC's website and see reports on the quality of the previous provider so that they can assess that as well.

T5. [35661] **Paul Blomfield** (Sheffield Central) (Lab): A year ago, writing in *The Sun*, the Prime Minister made a firm and passionate pledge to increase the number of midwives by 3,000. Last week, the chief executive of the NHS told the Public Accounts Committee that the NHS is now short by 4,500 midwives. Will the Secretary of State tell the House when he intends to implement plans to honour the Prime Minister's pledge—or can we take it that it is just another Conservative broken promise on the NHS?

Mr Lansley: Well, I do not wish to embarrass the chief executive of the NHS, but actually, he told me he made an error—he was referring to health visitors, not midwives, when he was talking to the Public Accounts Committee. We are short of health visitors precisely because, through the life of the last Government, the number was continuously going down, and we are

going to recruit more. Actually, we share the last Labour Government's commitment to increase the number of midwives, not least because of the increase in the number of births, and to do so in pace with that. As a consequence, in conversations that the Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton), and I have had with the Royal College of Midwives, we have made it clear that we will do all we possibly can. We already have more midwives in training than at any other time in our history.

T4. [35660] **John Stevenson** (Carlisle) (Con): As Ministers are aware, GPs in north Cumbria are supportive of GP commissioning and are already working hard for its success. However, given the rural nature of the area, what support will be given to the local hospitals to ensure that they can provide secondary health care within the new regime, when they have to accommodate the additional costs of providing health care in a rural environment?

Mr Lansley: Yes, I entirely endorse what my hon. Friend says about GPs in Cumbria. They are indeed very forward-looking and show that, even under the last Government, practice-based commissioning was demonstrating its benefits, and we are building on that. I mentioned earlier the duty in the Health and Social Care Bill on the NHS commissioning board to reduce inequalities in access to health care. That will be important for rural areas. The pricing arrangements, led by the commissioning board and Monitor, must also take into account varying costs associated with the delivery of care in different localities.

T8. [35664] **Mr Tom Harris** (Glasgow South) (Lab): If the Government will not even trust GPs with the responsibility of ordering flu vaccine, how on earth can they trust them with commissioning the care and treatment of cancer victims?

Mr Lansley: Of course, it was the last Government who agreed the arrangements with GPs. It was the last Government who, in 2007, undertook a flu review when central procurement of flu vaccine was recommended, but did nothing about it. The public health responsibility is distinct from the commissioning responsibility for health care of patients. We will look at, and we have still to make a decision about, how we procure flu vaccine in future years. We may do it through central procurement or through continuing GP procurement; but either way, we will make sure that we improve on the system we inherited.

T6. [35662] **David T. C. Davies** (Monmouth) (Con): Can the Minister tell us how much money is spent each year on disposable surgical instruments, and whether any thought has been given to greater use of properly sterilised reusable instruments?

The Minister of State, Department of Health (Mr Simon Burns): The straightforward answer to my hon. Friend's question is, £18 million per annum. The decision to use single-use instruments as opposed to reusable ones is based on many complex clinical factors. For this reason, these decisions are left for the determination of local trusts on the basis of safety, quality and value for money.

T9. [35665] **Grahame M. Morris** (Easington) (Lab): May I ask the Secretary of State directly about leaked documents seen by *The Northern Echo*? They show that a £53 million NHS contract to provide health care services to the prison service in the north-east was awarded to a private company, Care UK, even though the NHS provider was marked higher on quality, delivery and risk. Care UK beat the NHS provider only on price. Is this confirmation of the Minister of State's remarks on *Newsnight*, that this Bill will create a full market and full competition?

Mr Lansley: The hon. Gentleman is asking about arrangements that we have inherited from his Government; they are from before the election and are nothing to do with the White Paper or the Bill. The contract to which he refers was let by the North East Offender Health Commissioning Unit. This was its procurement decision and it states that a competitive, robust and transparent process was followed. This was not a decision taken or influenced by the Department of Health.

T7. [35663] **Karen Lumley** (Redditch) (Con): In support of national obesity fortnight, which is currently running, I wish to raise awareness of this serious condition, which causes numerous deaths and other serious health conditions. Redditch has high levels of obesity compared with the average in England. NHS Worcestershire is doing a fantastic job, but what more can the Government do to ensure that the NHS will not be overly burdened with increasing obesity problems?

The Parliamentary Under-Secretary of State for Health (Anne Milton): I thank my hon. Friend for raising this issue, and I know that her local council is running a number of schemes. As she knows, we have published a White Paper on public health, "Healthy Lives, Healthy People". In the spring, we will publish a document on reducing obesity, and we will set out how this will be tackled in the new public health systems and in the NHS. It is important to remember that at this time of year a number of people go on diets and try to lose weight and get fit, and I urge them all to carry on, including Members of this House.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): Does the Minister accept that during times of illness people often experience associated problems, for example, difficulties with employment and housing, and personal problems, with which they can be helped by the information available through StartHere? Will he ensure that his Department and others treat StartHere as essential to the provision of high-level public service?

Mr Burns: I am very grateful to the right hon. Gentleman for that question because, as he is aware from meetings that we have had, we have been supporting StartHere through NHS Choices. We are now reviewing the benefits of this joint working, and that will help us to understand potential contributions to savings to improve the information flow to those who may be excluded from the use of the internet. He may be interested to learn that I have today written to Ms Hamilton-Fairley, outlining where we are at the moment. I am anxious to resolve this as soon as possible, once the review has been completed.

T10. [35666] **Mr Steve Brine** (Winchester) (Con): What does the Minister think is the likelihood of the pathfinder consortia examining commissioning arrangements for neurological conditions? This is particularly important, because conditions such as Parkinson's are not familiar to many general practitioners, and commissioning arrangements for these complex conditions are tricky, so they need specialist knowledge. They need to be getting expert support and advice, including from patients and third sector groups.

Paul Burstow: The hon. Gentleman makes some important points about how the new system provides the opportunity to access a range of new resources to develop the way in which commissioning is provided for people with neurological conditions. Not the least of these are the way in which the Neurological Alliance is working to provide a new structure for its way of operating at the local level to offer commissioning support and, from the Department, how the neurological commissioning support group will be able to work with early implementers of the health and well-being boards and pathfinder GP consortia to provide them with the necessary support to develop their capability in this area.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): The Minister of State referred earlier to Labour Members cherry-picking quotes, but I do not believe that Laurence Buckman, chair of the British Medical Association's GP committee, was mincing his words when today he described the Government's reorganisation plans as "fatally flawed", warning that they

"would see the poor, elderly, infirm and terminally ill in large parts of the country losing out".

Why does the Secretary of State believe that he knows better than Dr Buckman?

Mr Lansley: I do not recall the BMA ever agreeing with the previous Government. Let me provide one quote to the hon. Lady:

"The general aims of reform are sound—greater role for clinicians in commissioning care, more involvement of patients, less bureaucracy and greater priority on improving health outcomes—and are common ground between patients, health professions and political parties."

The shadow Secretary of State said that last week.

Duncan Hames (Chippenham) (LD): The NHS Litigation Authority has presented NHS Wiltshire with a bill for more than £3.5 million in clinical negligence scheme payments this year. Nationally, among closed claims, legal fees made up more than a third of costs last year. How does the Minister propose to switch this expenditure away from lawyers and towards front-line health services?

Mr Lansley: I wish, first, to say two things, but there may be further to add. First, my right hon. and learned Friend the Secretary of State for Justice is working on the implementation of the Jackson review. That, in itself, will help considerably in reducing the extent to which these costs are consumed in legal fees, rather than proper compensation for clinical negligence. As we made clear in response to Lord Young's report, we will also pursue the question of whether we can have a fact-finding phase following up a claim against the national health service, so as to mitigate what is otherwise considerable additional cost on conditional fee arrangements and getting expert witnesses.

Mr Dennis Skinner (Bolsover) (Lab): Why is it that the Secretary of State does not compliment the Labour Government on providing £110 billion, starting with £33 billion in 1997? Is it not a fact that waiting times have fallen as a result of the nurses, the doctors and that money? Is he frightened to utter the words because in 2001 every single Tory MP marched through the Lobby not to give the money to the national health service?

Mr Lansley: Let me remind the hon. Gentleman that at the general election we just fought we were the party that was committed to increased resources for the national health service. We are the coalition Government who, over this Parliament, will increase resources for the national health service by £10.7 billion, even in the face of the deficit we inherited from Labour. The hon. Gentleman's party's response was to tell us that we should cut the NHS, and we are not going to do it.

David Tredinnick (Bosworth) (Con): Will my right hon. Friend the Secretary of State please explain why it is taking so long for him to come to the House about the regulation of herbal medicine? He has to do that before April to comply with European legislation. What is the hold-up?

Anne Milton: I thank my hon. Friend for his question and I know that he has a keen interest in this subject. I share his frustration that the previous Government spent a long time not doing anything about it. The Medicines and Healthcare products Regulatory Agency has identified the possibility of creating a national regulatory scheme, allowing authorised herbal practitioners to continue to commission unlicensed manufactured herbal medicines after 30 April. We are in discussions with the devolved Administrations, the Health Professions Council and the Complementary and Natural Healthcare Council about the feasibility of a statutory register. As I say, I share my hon. Friend's frustration but we will make proposals shortly.

Dr William McCrea (South Antrim) (DUP): Specialists in the field state that the figures that point to a more than 50% rise in young drinkers ending up in hospital are a gross underestimate of the serious problem. What further steps can the Department and the Government take to address this important problem?

Mr Lansley: As the hon. Gentleman will recall from earlier exchanges, it is absolutely right that we must have a series of measures to tackle alcohol abuse. Price is part of it, as is the enforcement of legislation. Community alcohol partnerships have been very promising. We must have better alcohol education, and I spoke at the first annual conference of Drinkaware yesterday, encouraging it in the work that it does. We must understand that we have to change people's behaviour and that the damage that can be done is intense. As a consequence of chronic alcohol abuse, large numbers of people are coming in and out of intensive care units, presenting an enormous burden to the health service as well as doing great damage to themselves.

Gordon Birtwistle (Burnley) (LD): The College of Emergency Medicine recently stated that if a hospital A and E unit is to be downgraded to an urgent care centre, the nearest A and E unit should be no more than 12 miles away. Will the Secretary of State revisit the cases of A and E units that were recently downgraded by the previous Government to urgent care centres when the nearest A and E unit is more than 12 miles away?

Mr Lansley: Yes. My hon. Friend makes a very important point. I promise I will discuss with John Heyworth of the College of Emergency Medicine precisely the point that my hon. Friend has raised. The College of Emergency Medicine says that it does not recognise what an urgent care centre is. From its point of view, hospitals should either have an emergency department or an A and E or they should not. If they do not, it is very important to be clear that they do not. I feel that we need to be much clearer about the nature of the service provided in A and E departments and the distinction between that and the service provided in minor injury or minor illness centres.

David Wright (Telford) (Lab): Do not the reorganisation plans for the NHS, coupled with cuts to local authority budgets, mean that public health projects in this country will effectively be binned?

Mr Lansley: No, they will not. We are making very clear our determination to ring-fence public health budgets so that prevention does not suffer, as it did under the hon. Gentleman's Government. In 2005-06, the first things to disappear as a consequence of financial pressures were the public health budgets and public health staffing. We will not allow that to happen.

Zac Goldsmith (Richmond Park) (Con): I welcome the Government's commitment to ending mixed-sex wards, but does the Secretary of State agree that it is both unnecessary and extreme to extend that policy to children's wards and to enforce it with the threat of fines?

Mr Lansley: I entirely understand my hon. Friend's point, and the rules we have set out for the NHS are very clear. We are also clear that we will ensure, through the NHS, that people have access to the privacy and dignity they have a right to expect, contrary to what the hon. Member for Leicester West (Liz Kendall) has said. She said that as long as they get the treatment through the NHS, it does not matter whether they are in mixed-sex accommodation, but that is not our policy. It does matter, and we will enforce it.

Points of Order

3.35 pm

Mr Ivan Lewis (Bury South) (Lab): On a point of order, Mr Speaker. I seek your guidance. The Secretary of State for Culture, Olympics, Media and Sport has today made an announcement of grave importance for the future of media in this country. Despite a clear recommendation from Ofcom and the Secretary of State's admission that he has been unable to reach agreement with News Corp on adequate remedies, he has failed to do the right thing and refer the bid to the Competition Commission. This follows the shambles of the Business Secretary's prejudicial conduct and doubts about the impartiality of the Secretary of State and the Prime Minister. Surely the Secretary of State should come to the House and justify his actions.

Mr Speaker: I am grateful to the shadow Secretary of State for giving me notice of his intention to raise a point of order. As he knows, there is a written ministerial statement today on this subject. I have not received any notice of an oral statement at this stage. What he has said will have been heard on the Treasury Bench and I trust that when the Minister has anything more to say, he will do so to the House at the first opportunity.

Grahame M. Morris (Easington) (Lab): On a point of order, Mr Speaker, I wonder whether you would give the House your guidance. A few months ago, in topical Health questions, I asked the Secretary of State about a £53 million NHS contract that was awarded to a private health care company called Care UK. I have already written to the Cabinet Secretary about the apparent conflict of interest in relation to companies such as this and donations to the Conservative party, but I seek your advice on whether it would be more appropriate, in the interests of openness and for the benefit of people watching, if Ministers declared their interest when right hon. and hon. Members raised these issues in the Chamber.

Mr Speaker: There are very clear rules on these matters, which it is the responsibility of every Member of the House, including Ministers, to observe. I must say to the hon. Gentleman, in all gentleness but helpfully, I hope, that that is not a matter for the Chair. Some might think that he is continuing or starting a debate, which is not a matter for a point of order.

Ian Paisley (North Antrim) (DUP): On a point of order, Mr Speaker. Can you confirm that you have received a letter from the hon. Member for Belfast West (Mr Adams) indicating his resignation from the House? Can you indicate that he will not be allowed to breach any of the constitutional requirements that he, like any other Member, must receive office under the Crown before he can leave the House? If that is the case, can you indicate when you will reply to him instructing him of his obligations as a Member of the House?

Mr Speaker: Let me say to the hon. Gentleman, to whom I am grateful for his point of order, that correspondence with the Speaker is private and is not the subject of exchanges on the Floor of the House. What Members might or might not say about their correspondence is a matter for them, but I intend to keep my own counsel. There are procedures to be observed, and observed they must be.

Kevin Brennan (Cardiff West) (Lab): On a point of order, Mr Speaker. We have learned today that the economy shrank in the last quarter of 2010 and that, even taking the inclement weather into account, growth would have flatlined; that is on top of yesterday's remarks by Sir Richard Lambert of the CBI. Have you received any notification from the Chancellor of the Exchequer of his intention to come to the House to explain what steps he is going to take to deal with this emerging crisis?

Mr Speaker: No, and I think I can recognise an attempt to initiate a debate at this distance.

Firearms (Amendment) Bill

Motion for leave to introduce a Bill (Standing Order No. 23)

3.39 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I beg to move,

That leave be given to bring in a Bill to introduce a minimum age for holding a shotgun licence of 14 years.

The Bill is purposely rather limited in its scope and objectives. It is not about banning recreational shooting or the proper use of shotguns for legitimate rural estate management. Rather, I am seeking to close a loophole in our current firearms legislation—legislation that the Home Affairs Committee, under the chairmanship of my right hon. Friend the Member for Leicester East (Keith Vaz), has identified as both complicated and confusing.

At present there is no minimum age for possessing a shotgun licence. This is at odds with the legislation covering other firearms, where there is a minimum age of 14. According to figures that I obtained from the Under-Secretary of State for the Home Department, the hon. Member for Old Bexley and Sidcup (James Brokenshire), almost 5,000 children in England and Wales possessed a licence to fire a shotgun. Of those 5,000 or so licences, 26 were issued to 10-year-olds, 72 to 11-year- olds, 134 to 12-year-olds and 231 to 13-year-olds. It is unfortunate that neither the Scottish Executive nor the Northern Ireland Executive keep figures centrally for their devolved areas. However, I am sure we can assume that the figures are proportional to those elsewhere.

Currently, as the House knows, licences are issued by the chief constable of the police authority for the area in which an applicant resides, although for practical purposes the decision is often delegated to a more junior officer. For the purpose of this debate, it may be easier to refer to the chief constable. The applicant needs only to state their reason for wanting a shotgun licence, and needs to provide no evidence. If a chief constable wants to refuse a licence, the onus is on the chief constable to demonstrate their reasons against granting it. As the report from the Association of Chief Police Officers on the Cumbria shootings spelled out, an application for a licence can be refused only if the police can demonstrate that they believe that the person is a danger to the public, or that the applicant has "no good reason" to have a shotgun, or that the applicant is subject to certain statutory prohibitions.

So at present chief constables have very little, if any, scope to refuse an application from a 10 or 11-year-old. This is, I believe, a most unsatisfactory situation for our chief constables to find themselves in. As I said at the beginning, the Bill is limited. It does not necessarily preclude the young person from firing a shotgun, because the current legislation merely provides that a young person be supervised by an adult, whether or not that young person possesses a licence. However, the Bill will send a clear and straightforward message that our society is not comfortable with the principle of young children handling lethal weapons.

I am grateful to the House of Commons Library for providing information on the situation in other countries. For example, in Finland applicants have to be 18, but a 15-year-old can get a permit for hunting or shooting with consent from guardians. In Ireland, New Zealand and Lithuania, 16 is the minimum age for possessing a shotgun licence. These are just a few examples to illustrate my case.

Even the United States, a country known for its liberal or even libertarian views on the control and use of firearms, has recognised there must be some limits and controls. More than half the states—32 now—have set a minimum age for the use of shotguns and other firearms. The majority of these states have set the minimum age at 18. Surely if the United States accepts the need for a minimum age, it is not unreasonable for the House to consider the case for restrictions.

I am grateful for the cross-party support that I have received for my Bill, and the fact that the Scottish Executive, although they obviously have no legislative competence on the matter, support the principle of a minimum age of 14.

In conclusion, the Bill seeks merely to tighten the existing legislation, to bring shotguns in line with other comparable legislation at home and overseas, and to ensure that access to dangerous—nay, lethal—weapons is restricted for the very youngest members of our society.

Question put and agreed to.

Ordered,

That Thomas Docherty, Mr Michael McCann, Mr Jamie Reed, Pete Wishart and Steve Rotheram present the Bill.

Thomas Docherty accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 20 January 2012 and to be printed (Bill 135).

European Union Bill

[3RD ALLOCATED DAY]

[Relevant document: The Fifteenth Report from the European Scrutiny Committee, The EU Bill: Restrictions on Treaties and Decisions relating to the EU, HC 682.]

Further considered in Committee

[DAWN PRIMAROLO *in the Chair*]

Clause 6

DECISIONS REQUIRING APPROVAL BY ACT AND BY REFERENDUM

3.45 pm

The Minister for Europe (Mr David Lidington): I beg to move amendment 57, page 4, line 36, at end insert—

'(2A) A Minister of the Crown may not give a notification, under Article 4 of Protocol (No. 21) on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to TEU and TFEU, which relates to participation by the United Kingdom in a European Public Prosecutor's Office or an extension of the powers of that Office unless—

(a) the notification has been approved by Act of Parliament, and

(b) the referendum condition is met.'.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): With this it will be convenient to discuss the following:

Amendment 54, page 4, line 36, at end insert—

'(2A) A Minister of the Crown may not confirm the approval by the United Kingdom of a decision under the provision of Article 25 of TFEU that permits the adoption of provisions to strengthen or add to the rights listed in Article 20(2) of that Treaty (Rights of citizens of the European Union) unless—

(a) the decision is approved by Act of Parliament, and

(b) the referendum condition is met.'.

Government amendment 58.

Amendment 81, page 4, line 42, at end insert—

'(aa) a decision under Article 43 of TFEU which would result in the removal of the existing powers of the United Kingdom in relation to nautical limits;'.

Amendment 36, page 5, line 5, at end insert—

'(ba) a decision under the provision of Article 81(3) of TFEU (family law) that permits the application of the ordinary legislative procedure in place of a special legislative procedure;'.

Amendment 37, page 5, line 5, at end insert—

'(bb) a decision under the provision of Article 82(2)(d) of TFEU (minimum rules on criminal procedure) that permits the identification of further specific aspects of criminal procedure to which directives adopted under the ordinary legislative procedure may relate;'.

Amendment 38, page 5, line 5, at end insert—

'(bc) a decision under the provision of Article 83(1) of TFEU that permits the identification of further areas of crime to which directives adopted under the ordinary legislative procedure may relate;'.

Amendment 100, page 5, line 27, after '(enhanced co-operation)', insert 'except in the field of EU patents'.

Amendment 13, page 5, line 33, at end insert—

'(ja) a decision which results in the participation of the United Kingdom in any enhanced co-operation procedure.'.

Amendment 8, page 5, line 35, at end insert—

'(l) a decision to extend the use of the European Financial Stability Mechanism to member states other than the Republic of Ireland.'.

Amendment 79, page 5, line 35, at end insert—

'(4A) In subsection (1) "decision" includes a further implementation of the decision under Article 122 of TFEU to extend the use of the European Financial Stability Mechanism to any member state other than the Republic of Ireland.'.

Amendment 40, page 14, line 9 [Schedule 1], at end insert— 'Article 81(3) (family law).'.

Amendment 55, in clause 7, page 5, leave out lines 44 to 46.

Mr Lidington: We turn now to decisions on which a referendum would always be required. Decisions taken in accordance with the treaty provisions listed in clause 6 would always require approval by Act of Parliament and a referendum. One group of decisions covered by clause 6 are the one-way, irreversible decisions that would transfer competence from the United Kingdom to the European Union, including a decision that the UK would participate in a European public prosecutor's office, which can be set up to combat crimes affecting the EU's financial interests. Should the UK ever take part in the European public prosecutor following such a referendum, the decision that this country should take part in any expansion of the powers of that prosecutor is also listed in clause 6 and would therefore also be subject to primary legislation and a referendum.

Emma Reynolds (Wolverhampton North East) (Lab): With regard to Government amendment 57, will the Minister make it clear to the Committee why the Government have singled out the European public prosecutor's office in their opt-in to justice and home affairs and why they are not including other measures in that area on which they have a decision to opt in? The amendment is slightly untidy, so will he clarify that it will amend clause 6(2), as the European public prosecutor's office is mentioned in clause 6(4)(c)?

Mr Lidington: The wider issue of justice and home affairs opt-ins is the subject of a number of amendments and new clauses that have been selected for debate tomorrow. If the hon. Lady will forgive me, I think that that will be the appropriate time to deal with it. We have decided to single out the European public prosecutor because that was a clear and explicit commitment in the coalition agreement and the coalition programme. The agreement stated:

"Britain will not participate in the establishment of any European Public Prosecutor."

In accordance with that policy, we are putting a referendum lock on a decision by any future British Government to join the European public prosecutor and a further lock on the UK taking part in any expansion of that prosecutor's powers.

I am grateful to my hon. Friends the Members for Daventry (Chris Heaton-Harris), for Wycombe (Steve Baker), for Cleethorpes (Martin Vickers), for Bury North (Mr Nuttall) and for Crawley (Henry Smith) for noticing a potential gap in the drafting of the Bill. As drafted, clause 6(4)(c) and (d) might not automatically trigger a referendum in the event that the UK chose to participate in the European public prosecutor after it had already

been established. That is because the measure under the United Kingdom's protocol on the area of freedom, security and justice, which would be used to allow us to take part in the European public prosecutor's office or in an expansion of the office's powers in those circumstances, does not have to cite the legal base of article 86 of the treaty on the functioning of the European Union.

Government amendments 57 and 58 respond to the concerns identified and expressed by my hon. Friends in their amendment in order to close that potential loophole. We did not intend to leave any doubt about the matter and, being keen to make that correction, I therefore urge the Committee to approve those Government amendments. These would ensure that a referendum would be required in all cases before the United Kingdom could join the European public prosecutor's office or an extension of its powers, whether the decision was taken before or after the prosecutor had been set up, or before or after the powers had been extended.

Mr John Redwood (Wokingham) (Con): I am very grateful for that concession, which improves the Bill. Now that the Minister is in this spirit of concession, does he not understand that most people think that criminal justice is central to their sovereignty in Parliament, and that the same provision should apply to all opt-ins under the criminal justice provisions? Why will he not concede that?

Mr Lidington: My right hon. Friend makes his point firmly, as I expect him to, but as I said earlier we will have the opportunity to debate justice and home affairs opt-ins in more detail during debates on the clauses that are set down for tomorrow. I look forward to hearing the concerns that he and other Members express on that occasion.

A number of amendments in the name of my hon. Friend the Member for Daventry seek to add a limited number of further JHA articles to either clause 6 or schedule 1, and I say to him and my right hon. Friend the Member for Wokingham (Mr Redwood) that I am well aware of and understand the Committee's concerns about justice and home affairs matters. I share their view that they are matters of political, often of legal and sometimes of constitutional, significance, so I look forward with interest to the arguments that my hon. Friend might put forward later today.

On those amendments, which will be the subject of debate later today, I signal now that I am confident that I can make a compelling case why those particular articles should not be listed in clause 6 but be left, where they are appropriately dealt with, in clause 9. I shall explain briefly today and, I expect, at greater length tomorrow how that fits into wider JHA issues, as I set out in my written ministerial statement last week.

Mr David Nuttall (Bury North) (Con): I thank the Minister for the courteous and generous way he is piloting the Bill through the House and through its long period in Committee. He will be well aware that I warmly welcome the general principle of the Bill and, indeed, supported it on Second Reading. He will also be aware, however, that I have to be honest and say that it is not the Bill I would have preferred to discuss today. I make no secret of the fact that I think we should be discussing a Bill to give the people of the United Kingdom a referendum on our continued membership of the European Union, but we are where we are.

I supported the Bill on Second Reading on the basis that I would use every opportunity to try to strengthen and improve it as it progressed through its remaining stages, and I am heartened by the announcements that the Minister has already made this afternoon. He has demonstrated that he feels the Bill is capable of improvement by virtue of his bringing forward the Government's own amendments to it.

My amendment 54 and consequential amendment 55, as with so many amendments tabled for discussion in Committee, seek to strengthen the Bill by improving the scrutiny that would have to take place should any future transfer of competence occur.

Under clause 7(2)(a), a Minister may not confirm the approval by the United Kingdom of

"a decision under the provision of Article 25 of TFEU that permits the adoption of provisions to strengthen or add to the rights listed in Article 20(2) of that Treaty"

unless

"the decision is approved by Act of Parliament."

Amendment 54 would require such a decision to be approved not only by an Act of Parliament, but by the people of the United Kingdom in a referendum. It proposes a new subsection (2A) to clause 6, rather than including the decision in the list of decisions in clause 6(4), because the procedure for the ratification of decisions under article 25 of the treaty on the functioning of the European Union is essentially the same as that for decisions under article 42 of the treaty on the European Union, which relates to a common European Union defence policy.

Under the European Union treaties, all citizens of member states are also citizens of the European Union. As the Committee will be aware, the list in article 20(2) of the treaty on the functioning of the European Union is separate from and additional to the list of rights in the European Union's charter of fundamental rights, which was given the status of treaty law by the Lisbon treaty. I will list briefly the European Union citizenship rights set out in article 20(2). The first is the freedom of movement and residence within the European Union. The second is

"the right to vote and to stand as candidates in elections to the European Parliament"

and in local government elections in the member state of residence

"under the same conditions as nationals of that State".

The third is the right to

"the protection of the diplomatic and consular authorities of any Member State on the same conditions as the nationals of that State"

when the EU citizen's member state is not represented in a non-EU country. The fourth is

"the right to petition the European Parliament, to apply to the European Ombudsman, and to address the institutions and advisory bodies of the Union in any of the Treaty languages and to obtain a reply in the same language."

A decision to strengthen or add to the rights set out in article 20(2) could be of great importance, and could be wide-ranging. Article 25 of the same treaty appears to place no limit on the sort of rights that may be added. For example, there appears to be nothing to prevent the adoption of provisions that give European Union citizens the right to vote in national elections in member states other than the state of which they are a

[Mr David Nuttall]

citizen. Such a new basic right would constitute such a major transfer of power that such moves should be approved by all the people of the United Kingdom in a referendum. By definition, new or extended rights for European Union citizens transfer power from the United Kingdom—the power over whether it accords such rights to the citizens of other European Union member states. The UK would be required to respect those rights for all EU citizens as a matter of treaty obligation, and they would ultimately be enforced by the European Court of Justice, whose rulings are binding and are backed by its power to levy unlimited fines on member states. The new or augmented rights would be enshrined in the EU treaties and could be reversed only by a new, full-blown amending treaty. That would be, for all practical purposes, an irreversible transfer of power of constitutional magnitude, as it would deal with our citizens' rights.

4 pm

I believe that amendment 54 is completely within the spirit of the Bill, which is about requiring the consent of the British people to transfers of powers to the EU. It would not infringe the EU treaties or prevent article 25 of the TFEU from being used. It would simply require the British people to approve the transfer of power involved. My consequential amendment 55 would simply remove the current provision from clause 7, as it would no longer be required if it were moved to clause 6 under amendment 54.

Chris Bryant (Rhondda) (Lab): The hon. Gentleman referred earlier to consular protection, which, as he knows, has been enjoyed by all citizens of each EU member state for some considerable time. If we have no representation in a particular country, British citizens can go to a French, German or Spanish embassy and receive the same consular protection that they would expect from the UK. Does he really think that that should require a referendum?

Mr Nuttall: As I understand it, that is already provided for in article 20(2), so there is no need to introduce it again. Amendment 54 would apply only to future extensions of that article.

Chris Bryant: But following the creation of the European External Action Service, there is provision for some extension of that right. That is for obvious reasons, namely that many of the smaller countries in the EU have no diplomatic service or representation in quite a lot of countries. Just as we use the services of the Australians in some cases, for instances in Laos, and the French diplomatic services in other cases, surely it would be wrong to put the need to have a referendum in the way of an extension of that provision for British citizens or any other EU citizens.

Mr Nuttall: I hear the hon. Gentleman's point, but the difficulty is that article 20(2) covers much more than just that matter. As I said, it covers the likelihood of citizens of other EU states being allowed to vote in our national elections. There is real concern about that, and there would be a drive and desire for citizens of the UK to have their say if the EU ever sought to allow it.

Chris Bryant: When I was Minister for Europe, I probably had more correspondence with British people living in Spain than with those living in any other country in Europe. The best part of 1 million British people now live in Spain, and many of them feel that they need greater protection by the EU—for instance, if their houses are being pulled down because of the changes to housing and coastal laws. They would like to be able to vote in Spanish general elections, so that they can have a voice in Spanish society. Does the hon. Gentleman think it is wrong that they should be allowed that?

Mr Nuttall: I believe it should be up to the Spanish to decide who should vote in Spanish elections, not the EU, just as I do not want the EU telling our country whether citizens of another EU country should have the right to vote in our national elections.

I might be reading too much into this, but I wonder whether the reason the current article refers only to European parliamentary elections and local elections is that people in the world of the EU would like national elections done away with. In their world, there would be only regions within the great European Union. Is that why no mention of national elections was made in that article?

Emma Reynolds: Is the hon. Gentleman really suggesting that hard-headed, pragmatic pro-Europeans say that we should do away with general elections in member states?

Mr Nuttall: I have no idea what each individual thinks—that is up to them. All I am saying is that those who promote the EU project, which states the need for ever-closer union—*[Interruption.]* Those who promote the EU project would very much like there to be simply EU elections and local, regional elections, effectively bypassing Members of Parliament. The thrust of the legislation means that that is where we are headed, and it is one of many reasons why I tabled amendments 54 and 55, and I commend them to the Committee.

Mr Denis MacShane (Rotherham) (Lab): My treat, which I can never find the resources or time to put into effect, is to send the comments that hon. Members on both sides of the House make to our fellow European politicians. I should like President Sarkozy, Chancellor Merkel, Prime Minister Tusk or the representatives of any one of the nine Nordic and Baltic states that were hosted by the Prime Minister at Downing street last week, to read that someone stood up in the Chamber of the House of Commons and said that we are about to abolish national elections. They would realise what a wonderful world the House of Commons can become. To paraphrase Karl Marx on history in the famous opening lines of "The Eighteenth Brumaire of Louis Bonaparte", the House of Commons, when it debates the EU, starts as muddle and descends quickly into farce. We are already firmly into those two categories today.

Clause 6 refers—

Kelvin Hopkins (Luton North) (Lab): Will my right hon. Friend give way?

Mr MacShane: Might I just finish my point on clause 6? My hon. Friend and I have had many exchanges here and in the Tea Room over a number of years, and my affection for him grows with each passing moment.

Government amendment 57 calls for a referendum with reference to an extension of the powers of the European public prosecutor's office, but clause 6(4)(c) already lists the requirement for a referendum when

there is any change in the treaty involving the participation of the UK with the EPPO. That is just the technical muddle.

I remember sitting on the Government Benches, where the hon. Member for Broadmoor is now sitting.

Mr Keith Simpson (Broadland) (Con): Broadland!

Mr MacShane: There are times when the European Union debate makes me think that I am in Broadmoor—in respect of speeches made on both sides of the House, some of which reach the highest clouds of fantasy and invention.

When I was on the Government Benches, getting the wording right was interesting. Foreign Office officials are brilliant draftspersons, but they are not necessarily quite as focused on the detail or on internal contradictions in legislation, because they do not always produce Bills. Clause 6 and amendment 57, which I assume will go through tonight with a Government majority despite the best efforts of Conservative Back Benchers, actually contradict themselves.

Kelvin Hopkins: The important thing about elections is not just that they are a method for electing people to a Chamber such as this, but that those people have power to exercise on behalf of the people who vote for them. Should we not be careful to ensure that this House, this Parliament and our Government retain power? Otherwise, democracy becomes meaningless and we would just be a decorative part of the constitution instead of an effective part, as Bagehot would say.

Mr MacShane: My hon. Friend is one of the most decorative parts of this House, and I hope that, after the reduction of representation in the wretched Parliamentary Voting and Constituencies Bill becomes law—it will weaken the House of Commons unless the other place defends our constitutional rights—when there will be 50 fewer of us, he is to be found among the survivors.

This is the eternal argument. The most sovereign person in the world was Robinson Crusoe on his island. No one could tell him what to do, and he did not tell anyone else what to do. Our nation's history is entirely about finding partners and allies and making treaties. I invite hon. Members to go to the National Gallery and look at the depiction of the signing of the treaty of London signed in 1604, which has four British dips and four Spanish dips and you cannot tell the difference between them. That treaty brought to an end 50 years of conflict between Spain and Britain because—

Mr Redwood: We won.

Mr MacShane: That is a good crack, but I think that the right hon. Gentleman will find that Spanish power messed up the continent for another 100 years until we won again. If the House of Commons only exists to express the sentiment of the football fan that "We won, and they have to lose", Britain will never advance.

Chris Bryant: If the right hon. Member for Wokingham (Mr Redwood) is correct that we won in 1604, why did we spend the next 20 years trying to marry off the heir to the British throne to a Spanish infanta?

Mr MacShane: I am glad that we are now marrying off one of our royals to someone who has the attributes of a very normal, pretty Englishwoman. We wish William and "Caterina" every success.

To return to the Bill and the clause, I campaigned for many years in this House, on an all-party basis, for laws and measures to combat human trafficking. That cannot be done on the basis of a single decision of this House alone. In the last Parliament, it took a great deal of work by hon. Members on both sides of the House to persuade the then Prime Minister to first sign and then ratify the Council of Europe's convention on trafficking. The Home Office's view was that it did not want to be told by anyone—and this was the Council of Europe, not the European Union—what to do or to accept any obligations. Ministers and officials came up with argument after argument about why the Council of Europe convention should not be signed. I am glad to say that parliamentary pressure from both sides wore them down and the then Prime Minister, Tony Blair, signed and ratified it. It was an important step forward. As ever, it was not the final solution to that dark and wretched side of globalisation, but it was a step forward.

4.15 pm

Similarly, the European public prosecutor's office might at some stage in the future be of importance to our country, to the Government, whatever their colour, and to the House. At the beginning of the previous decade, we heard exactly the same arguments against the European arrest warrant. People said that it was an intolerable interference in British sovereignty, with Brussels marching in to arrest anyone it wanted. By the time of 7/7, however, when one of the wanted suspects had fled to Rome, where the civil liberties lawyers, the judges, the left and the supporters of Islamism were wrapping their arms around him to protect him, the EAW had—thank goodness—become part of our law, having been adopted by the European Union, and so that gentleman was back on a plane to London before he could say "strong cappuccino".

Mr William Cash (Stone) (Con): Does the right hon. Gentleman recall the case of the person in Leek, Staffordshire whom it was proposed, under an arrest warrant, should be taken over to Italy, and who was convicted in his absence to 15 years, but who, thanks to the intervention of my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley) and the Prime Minister, has been completely exonerated? He was not even within 1,000 miles of where the murder took place.

Mr MacShane: The hon. Gentleman is perfectly right, but we could all list examples in Britain of improper arrests. It does not vitiate the need for international co-operation against criminality—I mentioned trafficking, but there are other examples—if that is what we want. International co-operation on the basis of, "Well, you'll co-operate with us, but we won't co-operate you", will never happen. I am glad that there was not a referendum lock on the EAW, because otherwise that gentleman from 7/7 would still be waiting in Rome until we had had our referendum.

Jacob Rees-Mogg (North East Somerset) (Con): The right hon. Gentleman seems to think that the example given by my hon. Friend the Member for Stone (Mr Cash) was invalid, but that his own similar individual example is valid. Why is it valid when it supports his argument, and invalid when it does not?

Mr MacShane: On the contrary, there are anomalies with the EAW. I have cases myself involving the Polish authorities, in particular, sending out generalised arrest warrants for people who have done little more than nick a bike. None the less, a law is a law is a law. If we want criminals whom we want dealt with in Britain to be sent back here, we have to accept that what is sauce for our criminal goose has to be sauce for other criminal gander.

Mr James Clappison (Hertsmere) (Con) I invite the right hon. Gentleman to contemplate the evidence given to the Home Affairs Committee by an eminent lawyer in the field of extradition about the extent of the problem he has just described: arrest warrants coming from Poland and other eastern European places for trivial offences, resulting in many of those on the receiving end of one being locked up in British prisons and police stations, wasting a considerable amount of time and occupying valuable space.

Mike Gapes (Ilford South) (Lab/Co-op) *rose—*

Mr MacShane: I give way to my hon. Friend.

Mike Gapes: Is my right hon. Friend aware that recently a Romanian national was arrested in east London and taken back to Romania on an extradition warrant issued by the Romanian authorities? This individual had been involved in the most terrible form of trafficking of human beings and criminal activity in Romania.

Mr MacShane: May we bring an end to these individual cases from right hon. and hon. Members?

I am glad that the "costa del crime" has been shut down thanks to enhanced European co-operation. I put it to hon. Members on both sides that in a few years' time it might be to our country's advantage to have an effective prosecutor's office working to ensure that the people whom we bring to justice can face inquiry and remedy. I accept that the Bill will pass, but I am nervous about saying to our European colleagues, "Forget that idea, because we will have to have a referendum on it first." I do not want to use hyperbole, but were I a trafficker or someone who did not want to be brought to justice on a trans-frontier basis, I would be quite happy to see a referendum take place before effective action could be taken against me.

Ben Gummer (Ipswich) (Con): As it happens, the European arrest warrant has recently been of great use to one of my constituents who had suffered a grave injustice in Spain, which is an argument in favour of the European arrest warrant. We have also heard some arguments against it, but these are all arguments that can be put to the British people. We can have a mature debate in front of them. Why does the right hon. Gentleman oppose that?

Mr MacShane: That takes us into a slightly broader aspect of the debate, where there are differences between us. I started my political life campaigning in pubs and elsewhere against the demand, which was very prevalent after my student days, that there should be a referendum on capital punishment. Again and again, the cry is for a referendum, and we heard it in health questions today, when it was asked whether we could have a referendum on NHS reforms. I do not think that any hon. Member on the Government Benches would give a fleeting thought to that proposition, but if a referendum on a public prosecutor's office is good, why is a referendum on something that will impact far more directly on the British people—namely the Government's proposals to change significantly the way that our health service is delivered—not good?

Chris Bryant: Will my right hon. Friend give way?

Ben Gummer: Will the right hon. Gentleman give way?

Mr MacShane: Well, I am tempted to—

Mr Cash: Sit down?

Mr MacShane: To be told to sit down by the hon. Gentleman, who, to his great credit, has never long warmed a Bench if he could stand up, is undoubtedly a real pleasure to be had from my small contribution to this debate.

Mr Redwood: The big difference is that the Government's health reforms are reversible if they do not work or if a future Government do not like them, whereas the surrender of power to Europe is irreversible.

Mr MacShane: Again, this shows a failure to understand that if we do not like a treaty, there is an alternative. I have been told over the 16 years in which I have sat in the House that almost any change would undermine Britain. Indeed, the right hon. Gentleman famously said that the Amsterdam treaty would mean the abolition of the United Kingdom. Can anybody in the Committee tell me a single thing that was in the Amsterdam treaty?

Chris Bryant: The protocol on broadcasting. *[Laughter.]*

Mr MacShane: There we are: when we need an anorak, there is always one from Rhondda. I am grateful to my hon. Friend.

I respect the Member for Europe, for whom there is a great deal of affection among those of us in the House who are first-class Euro-bores. The Member for Europe— [Hon. Members: "Member for Europe?"] I apologise: the Minister for Europe is a sincere and serious chap. I have recently been much involved in the issue of Kosovo. One of our great problems there is that whereas the United Kingdom recognises Kosovo, along with 21 other member states, led by Britain—there is, I hope, not a cigarette paper of difference between those on our Front Bench and those on the Government's on the importance of helping Kosovo find its way to a future—five EU member states do not recognise Kosovo. As a result, we are utterly stymied in so much that we could and should do to help Kosovo find its way towards some stability, and because Kosovo has no stability or sense of security, that is contagious in other countries in the Balkans. There are times when this Government would, if anything, like to exercise a little more authority in Europe, in order to achieve key foreign policy goals.

Jesse Norman (Hereford and South Herefordshire) (Con): Will the right hon. Gentleman give way?

Mr MacShane: I shall give way for the last time, and that is it.

Jesse Norman: I thank the right hon. Gentleman very much, and I am greatly enjoying his comic turn. On a point of information, is he engaged in a one-man filibuster, or is this a genuine contribution to the argument?

Mr MacShane: If the hon. Gentleman and every other hon. Member had remained seated, rather than jumping up and insisting on making interventions, I would have sat down about 10 minutes ago. [HON. MEMBERS: "No!"] I am hearing cries for me to go on and on—I do not think that anything similar is happening in the other place—but I will sit down in due course.

I have no intention of filibustering; I have come here to make the point that remains at the heart of the Bill. That is that no Minister of the Crown—whether of this Administration, a Lib Dem Administration or, in four and a half years' time, when my right hon. Friends are on the Government Front Bench, a Labour Administration—is going to sign either a brand new treaty or a significant amendment that so unacceptably transfers authority and power away from this House and the Government of the nation that that Minister would have to come back here and say, "We have looked at this and we are very uncertain about it. We think it is significant and we are going to give the British people a referendum on it." "Significant" is the key adjective in this regard.

That shows the intellectual dishonesty at the heart of all these debates. The Bill is being introduced simply because the Conservative part of the Government could not honour its commitment to have a referendum on the Lisbon treaty, could not repatriate any powers and could not alter the existing treaties. Because the Conservatives are locked into their coalition agreement with the Lib Dems, the only reflection of five years of consistent, campaigning Euroscepticism they can offer to the British people is this Bill. I accept that it reflects the prevailing mood among the largest single party, the Conservative party. The Prime Minister and the Foreign Secretary have campaigned consistently on Eurosceptic themes.

Ben Gummer *rose—*

Mr MacShane: I will not give way. The hon. Gentleman will make his points in due course.

In opposition, it was possible for the Conservatives to campaign as Eurosceptics, but they cannot but govern as Euro-realists. This we have seen in whole range of—

Mr Cash *rose—*

Mr MacShane: I am sure that the hon. Gentleman will have a chance to make his point very shortly.

As Euro-realists, this Government have been—by my standards—responsible and helpful, shovelling out money to Ireland and working with Chancellor Merkel on serious treaty amendments that will increase economic surveillance of all the 27 member states, on foreign policy and on other issues. I really have no huge complaints to make about the Government at all. I say again, however, that it is inconceivable that any Minister of any Government in the future is going to come back from Brussels and say, "I've signed such a bad treaty. I'm not really sure about it. It is so significant in its alteration of the powers between the UK and the rest of the EU that I want it put to a referendum."

Mr Cash: The right hon. Gentleman is making a big show about all this. First, there was a referendum in 1975 under a Labour Government. Secondly, there was also a promise in the Labour manifesto about a referendum on the constitutional treaty. Thirdly, if the right hon. Gentleman had been here yesterday, he would have heard those on his own Front Bench proposing a mechanism to ensure that, in certain circumstances, there would be a referendum on all matters within the treaties. So, for practical purposes, he needs to ask himself whether the Labour party is now contradicting the position that he is adopting.

Mr MacShane: I will leave that point for my right hon. and hon. Friends on the Front Bench. I am not sure whether their new clause has been selected for debate today, but it proposes to set up a broad oversight committee, which might indeed be a rival to the Committee of the hon. Member for Stone (Mr Cash). I do not think that the proposal will make much progress, however.

The worry for me is that, at least among the majority party on the Government Benches, we have a Eurosceptic majority. We have to accept that. There are also many Eurosceptics on these Benches—*[Interruption.]*

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. Mr MacShane, could you please turn your phone off? This is the second time that it has rung in the course of your contribution. While I am on my feet, may I ask you to refer to the amendments, and not to be tempted by interventions to reflect on anything that is not within them?

Mr MacShane: I apologise, Ms Primarolo. I thought that the phone was in silent mode, but it was not. I have learned something. At least my tie is sober and silent! I accept that interventions have dragged me here and there, but we are a friendly kind of House when it comes to European debates—to begin with, at least. I have been trying to sit down for about 10 minutes, but hon. Members just will not let me.

4.30 pm

The Second Deputy Chairman: Perhaps I can help the right hon. Gentleman to sit down. Has he concluded his remarks? If not, he may continue, but he should not reflect on what I have said.

Mr MacShane: I was concluding my remarks until various Members got up to intervene.

My conclusion is simply this. There may come a time—not now, I accept—when a majority in this House and a duly elected Government feel that they want to take the lead to alter a European Union treaty—to propose a new one or make amendments to an existing one. They will then find that they are being held back by the tone, if not the strict legal content, of this Bill. This is coming dangerously close to what an Under-Secretary at the Foreign Office, Mr Henry Hopkinson, said about Cyprus in 1956—that it would "never" be free.

I genuinely worry about the signal we are sending to our EU partners at a time when we all, quite irrespective of our party political positions, need more co-operation and more enforcement in Europe, whether it be on Tunisia, on growth policies or on finding solutions to the problem in Ireland, where, as the Prime Minister rightly pointed out, we export three and a half times more British goods than we do to China. I worry greatly

[Mr MacShane]

that this Bill, and particularly the new clause on the need for effective prosecution of criminality in Europe, will send out precisely the opposite signals. Our nation might well suffer, not tonight or in the next few weeks or months, but in the future, as a result of this deeply isolationist proposal.

Chris Heaton-Harris (Daventry) (Con): The last time I spoke after the right hon. Member for Rotherham (Mr MacShane), I was slightly unkind to him. Even though he has given me lots of material to do the same again, I will not. I was a Member of the European Parliament when he was the Minister for Europe and we would have had many disagreements, but I would like to think that we could at least agree to disagree in a friendly manner. The right hon. Gentleman was definitely treading on thin ice when he spoke about Robinson Crusoe being cut adrift, but it is all welcome for the purposes of debate.

I wish to make a point about the European public prosecutor, which I am against, and it is one of the reasons why I tabled the amendments. When I was an MEP, there was a great Scottish National party MEP, Sir Neil MacCormick. In the first debate that ever took place on this subject, he reminded me that having a European public prosecutor would mean changing the way we do criminal law in this country—moving away from habeas corpus towards a more Napoleonic code. Perhaps that is worth reflecting on in this place and giving the British people a chance to have a say on it. I very much welcome Government amendments 57 and 58, and I am pretty sure that the great Sir Neil MacCormick would have done so.

I tried to explain to my constituents at the last general election that I had a bit of experience of European matters and that, given the opportunity, I would try to use that experience in this place. I also explained how the Conservative party would try to stop any future power grab by the European Union, as set out in its manifesto. When this is coupled with my membership of the European Scrutiny Committee, I hope that my constituents in Daventry will forgive me for continually talking in the Committee stages of this Bill. It is a very important Bill which contains a great deal of merit.

My amendments 36 to 38 would simply require approval by an Act of Parliament and a referendum before a United Kingdom Minister can give final agreement in the Council to a proposed justice and home affairs ratchet decision when the UK has already opted into the proposal for that decision. Such proposals are subject to unanimity in the Council.

Amendment 40 requires a decision under the amending treaty, a decision under article 48(6) of the Treaty on European Union or a 48(7) ratchet decision that abolishes the veto of EU proposals on family law to be approved in a referendum. Family law matters can fall under EU competence, and the veto could be abolished by an article 81(3) ratchet clause. I know that that is highly unlikely, and I know that the EU's ability to become involved in family law has existed for a long time—since long before the Lisbon treaty—but I think that Members on both sides of the Committee can agree among themselves and with our European partners on matters such as the mutual recognition and enforcement between member states of judgments and decisions in extra-judicial cases.

However, genuine concern is felt by many people, and I am definitely one of them. In December 2005, the European Commission tried to make a case for applying the pre-Lisbon ratchet clause to qualified majority voting in EU proposals concerning maintenance obligations, which are obviously a family law matter. It was knocked back in the Council at that point, but anyone who listens to or reads debates in the European Parliament—as I now do—and anyone who reads statements from European Commissioners will understand that a bit of pressure is beginning to be applied. I should appreciate an assurance from the Minister that he is aware of that pressure and will continue to keep an eye on any challenges that may be forthcoming. I do not intend to press the amendment to a vote.

Mr Clappison: Amendment 40 is very important, and my hon. Friend is making a very good speech which is clarifying matters. I understand from what he is saying that family law matters are currently subject to unanimity rather than qualified majority voting, and that he is concerned about what is being proposed. He will know that the Commission has a long history of moving from unanimity to qualified majority voting, and seeks to do it on many occasions. Can he confirm that, as this is within the framework of the treaty on the functioning of the European Union, the European Court of Justice will have jurisdiction over the family law matters to which he is referring?

Chris Heaton-Harris: I believe that that is the case, although the Minister for Europe may correct me, as he is much better qualified to answer my hon. Friend's question.

My main amendments are concerned with problems that I have identified in the justice and home affairs ratchet clauses or opt-ins. We saw an example here not long ago. Just after the general election, the United Kingdom had to decide whether to opt in to the European investigation order. Many Members considered the way in which the legislation was scrutinised and enacted to be unsatisfactory. Along with others, I tabled an urgent question with the aim of establishing whether we were going to opt in.

I think that there is a better way of scrutinising important justice and home affairs matters. I appreciate that in that instance the general election and various recesses caused a problem, but nevertheless I am sure that this place can do a great deal better when it comes to scrutiny, and I believe that the Government can do a great deal better when it comes to enactment. I therefore very much welcome last week's written ministerial statement. Someone like me could pick a few holes in it—on dates and who has the first say, for example—but it is a massive step forward and I thank the Minister for it. I also welcome, as I said, the Government amendments in this area.

The Government have already opted in to the negotiations on the European investigation order, which allowed European police forces to insist that the British police put citizens in the UK under surveillance and grant access to their DNA. I suggest that that is quite a big deal to the United Kingdom. The way in which the EIO was put before the House—eventually, in an oral statement in July—was most unsatisfactory. The intention behind my amendments is to ensure parliamentary scrutiny of such matters.

Mr Cash: The investigation order has not yet been debated in the European Committee, as far as I am aware, so we should bear it in mind that although the Minister made a statement—on 15 June, I think—it is none the less still subject to scrutiny.

Chris Heaton-Harris: I thank the Chairman of the European Scrutiny Committee for correcting me. He knows that I am often wrong, so he corrects me quite regularly. I appreciate the help and assistance that he gives me, as a new Member in this place.

In the simplest terms, on the JHA ratchets, the Government have wisely looked at article 86 of the TFEU and have closed down in the Bill many of the policy areas that could be taken up to European level. Article 86 deals with the European public prosecutor, as I think the hon. Member for Wolverhampton North East (Emma Reynolds) alluded to earlier. However, it does not pay attention in the same way to the justice and home affairs criminal law ratchets, because those are contained in article 83. Is there a reason for that? Essentially, I am seeking from the Minister an idea of how we will deal in this place with matters similar to the European investigation order when the Bill is enacted.

The criminal ratchet clauses are often very important, but some, while important in themselves, would not be as important to the British people on the whole. It would be a very daring move for anybody—a Eurosceptic, a pro-European, or any Minister—to recommend such matters for a referendum. I am quite happy to think that we could deal with this by putting before both Houses of Parliament a motion or Bill that could be amended to include a referendum clause, should the need arise. However, we can do justice and home affairs scrutiny a lot better. Although the written ministerial statement goes some way in that regard, could the Minister give us some real-life examples to explain how such matters will be dealt with in future?

I do not want to detain the Committee further. I have explained the reasons for my amendments on family law—I will not be pressing those to a vote—and on the JHA ratchets, which I hope I will not need to press to a vote. All parties should be able to agree in general terms to better parliamentary scrutiny of justice and home affairs opt-ins—or, indeed, opt-outs. This is the right place for that to be done, and I look forward to the Minister's comments.

Emma Reynolds: It is a pleasure to serve under your chairmanship as I make my first speech on the European Union Bill, Ms Primarolo. It is also a great pleasure to follow the hon. Member for Daventry (Chris Heaton-Harris). He and I have something in common, because I, too, worked in the European Parliament for a number of years. He was an MEP for a decade and I congratulate him on his speech today.

4.45 pm

I wish to place on the record my gratitude to the European Scrutiny Committee and congratulate it on several reports on the Bill, particularly the one it published last week. I particularly wish to place on the record my thanks to its Chair, the hon. Member for Stone (Mr Cash), whose eloquence and expertise on these matters is exemplary. The report certainly gave me some work to do this weekend. It kept me awake because it was a riveting read, and it was so enlightening that I shall draw on its infinite wisdom in my contribution this afternoon.

In his Second Reading speech, the Foreign Secretary was at pains to stress the importance of clause 6 and the referendum triggers on the so-called passerelle clauses, as was the Minister for Europe in his letter to his own Back Benchers. If the Government's commitment not to transfer power to the EU is genuine and is a cast-iron guarantee—we have heard that before—and the passerelle clause actually requires unanimous agreement in order to move to qualified majority voting, why do the Government not simply veto any move to QMV? Can the Minister tell the House why it is necessary to make provision in clause 6 for a technical device that the Government have the power to block? Is it because the Government's own Back Benchers do not trust the Government Front-Bench team or, perhaps, some officials in the Foreign Office?

This matter was considered in the European Scrutiny Committee's report. One of its witnesses, the UK's former permanent representative to the EU, Sir John Grant, confirmed in his evidence that member states rarely agree to passerelles. He said:

> "The point about the passerelles is that—they're significant in a way, of course they are, they're there for a reason—but it's very difficult to use them, whether or not there is a referendum Bill...but the reason passerelles aren't used very much is that everybody's got to agree that some of them are going to be outvoted."

The Committee concludes that

> "it is in reality unlikely that most of the Treaty provisions which attract a referendum under the Bill will ever successfully be invoked".

It sounds like the Committee and its experts think that clause 6 is window-dressing, and it certainly seems that way to me.

As I have said, the Government claim that each and every passerelle clause is within the scope of the Bill, but I understand that that is not the case and I believe that the hon. Member for Daventry was making the same point. Indeed, the Minister for Europe's letter to his own Back Benchers states:

> "To be clear, it is not the exercise of unanimous decision-making that would require a referendum"—

so far so good—

> "but the shift in any significant area from unanimity to qualified majority voting."

Can the Minister explain to the House what he means by "significant area"? How will that significance be judged? Is there a test for it? Does this approach not fall short of what the Foreign Secretary promised the House on Second Reading, when he committed that the Bill would cover every possible move to QMV in the treaties? Does the Bill not cover all those areas? If not, why not? I would appreciate the Minister's clarification on that point.

I also wish to ask the Minister for clarification on the implications of clause 6(4)(j) and whether the enhanced co-operation procedure on the EU patent would trigger an Act of Parliament or a referendum. Labour Members judge that this measure, if successful, would be an extremely important move to help British business protect its intellectual property rights, at least within the 12 member states entering into the enhanced co-operation procedure,

as it stands. We would not like to see the negotiations delayed any further on this important matter, so can the Minister tell the House if and how the current negotiations would be affected? For that reason, we have tabled amendment 100. The Minister has said that if it were included, it would put the matter beyond any doubt. I therefore urge that there be a Division on the amendment, so that we can have that guarantee in the Bill.

There is also a loophole in clause 6 that it is important to underline. The Government state that the aim of the clause is to capture any change from unanimity to QMV, but as outlined by another witness, Professor Dougan, clause 6(4)(j) does not apply to the UK deciding to join an existing enhanced co-operation procedure whose members have already decided to move to QMV. Does the Minister agree that it is illogical not to include such a move that involves a shift from unanimity to QMV? Will he clarify the Government's thinking on the issue? Why does clause 6(4)(j) fail to account for that scenario? Does he agree with the recommendation of the European Scrutiny Committee's report that

"a decision by the UK to enter enhanced cooperation where the voting procedure has been changed from unanimity to QMV be subject to a referendum lock"?

Surely that is the logical conclusion to the Government's reasoning.

Other inconsistencies and elements have been illogically left out of clause 6. Again, the Government claim that clause 6 should include any move to qualified majority voting. The hon. Member for Daventry has pre-empted my speech on this matter, because it is surely a logical conclusion of the Government's argument that decisions by the Government to opt in to the field of justice and home affairs legislation should be included in clause 6. When he was asked about that point on Second Reading, the Foreign Secretary pointed out that there was only a three-month window for member states to opt in to the start of negotiations. That point was well made by the hon. Member for Daventry. However, why not put the opt-ins, when they are decided, to a vote in the House?

I take into account the Minister's written ministerial statement on this subject, which was made last week. Welcome though its contents are, does it go far enough? Does it allow proper parliamentary sovereignty over those significant decisions? The Irish Government manage to consult their Parliament within the time frame and to have a vote on these issues. Would it not be a good thing for this House to have a greater say?

Mr Clappison: I am grateful to the hon. Lady for giving way. She is making a very good case in a very cogent way. As a member of the European Scrutiny Committee, however, may I gently say to say to her that although I will have certain points to make about the written ministerial statement, it goes much further than anything that was permitted under her party's Government? For 13 years, we had no votes on opt-ins or anything else to do with these matters and, by and large, we had scrutiny without votes at the end of it.

Emma Reynolds: That is certainly true, but I remind the hon. Gentleman that both the Single European Act and the Maastricht treaty involved a much greater transfer of powers than anything we have seen since and the Foreign Secretary voted against a referendum on such matters. Let us talk not only about consistency on this side, but about consistency by those on the Treasury Bench, too.

The Government have decided to opt in to eight pieces of justice and home affairs legislation since the general election. The hon. Member for Daventry has mentioned one of them—the European investigation order. The Opposition would have liked to have had a say on the Government's decision not to opt in to the EU directive to combat human trafficking. Indeed, we judge the Government's decision not to opt in to be a dereliction of duty as regards combating this modern form of slavery. I imagine that some Back Benchers sitting behind the Minister—as I have said, the hon. Member for Daventry has mentioned this—would have liked more time on the Floor of the House to discuss not only the European investigation order but the other seven measures that the Government opted into.

Another area that the Government have totally neglected to mention in the Bill is the wholesale transfer of the body of justice and home affairs legislation to the jurisdiction of the European Court of Justice. The decision that the Government have to take in 2014 either to opt in to the body of legislation in its entirety or not to do so was also referred to in the Minister's written ministerial statement last week, but it is not mentioned in the Bill and is surely of equivalent significance to many of the changes in clause 6. In fact, the Conservative party manifesto stated that the Conservatives wanted to repatriate powers in employment and social affairs and criminal justice.

In his ministerial written statement, the Minister said there would be a vote in the House on the decision in 2014—we welcome that. However, I am sure that some of his Back Benchers will tell him that it is his best chance to repatriate powers in the field of criminal justice. Such a move would be unilateral and could be carried out with relative ease. The Government will not be able to do the same in the field of employment and social affairs without the unanimous agreement of all the other 26 member states. Given that this is the Government's only chance to fulfil that manifesto commitment, are they minded to take up this opportunity? Are not these changes more important than those in clause 6?

Mr Cash: Perhaps the hon. Lady is getting to this point, but I should like to know whether the Opposition are going to push this issue to a vote, or at least encourage one.

Emma Reynolds: We are not in favour of repatriating power; I am simply pointing out that according to their manifesto, the Conservatives committed to doing so. Far be it from me to intrude on private grievances, but I am simply trying to point out that there may be disagreement on these issues between those on the Government Front and Back Benches.

Mr Cash: The hon. Lady has been talking with great eloquence about opt-ins and the number of opt-ins that have taken place and she has referred to the excellent amendments of my hon. Friend the Member for Daventry (Chris Heaton-Harris), which reflect the views of the European Scrutiny Committee. In the light of her eloquence and determination, and the expressions of support she

has given to my hon. Friend and therefore to the Committee, I should like to know whether the Opposition would be interested in voting on these matters.

Emma Reynolds: I was simply pointing out inconsistencies and contradictions in the Bill.

Chris Heaton-Harris: I thank the hon. Lady for being so kind to me and I congratulate her on her first contribution from the Front Bench; she is doing a sterling job. I very much appreciate the tone in which she is delivering her words. Given the welcome for last week's written ministerial statement, I wonder whether there is a chance, bizarrely, for some collaborative work to break out across the divide on how we should deal with justice and home affairs opt-ins and opt-outs. Perhaps we could all, together with our Lib Dem colleagues, come to a better arrangement for the future.

Emma Reynolds: I certainly agree with the hon. Gentleman, who makes the point well. There are elements of agreement regarding last week's written ministerial statement with which we can work. The Opposition favour any greater parliamentary scrutiny of the opt-in decisions that the Government make in this area. So, yes, there is quite a lot of agreement between us.

The Conservative party has come on a long, tortuous and at times destructive journey regarding the European Union. A Conservative Prime Minister took us into the then European Community and subsequent Conservative Prime Ministers signed up to the Single European Act and the Maastricht treaty—the biggest transfers of power from Westminster to Brussels in our history. There were no referendums on those issues. The Foreign Secretary has been part of that long and tortuous journey. He was not so keen on referendums in the early 1990s, when he and the hon. Member for Stone were on different sides of the argument during the long and heated debate on the Maastricht treaty that went through the night. The Foreign Secretary opposed a referendum on the treaty and the hon. Member for Stone consistently argued for one.

Mr Lidington: Does the hon. Lady acknowledge that there is an important distinction to be made here? With the UK's accession under Edward Heath and with the treaties she has mentioned that were agreed to by Conservative Governments, those policies were made clear in the Conservatives' manifesto when they sought the people's confidence at a general election. The difference with the Lisbon treaty is that, for the first time, referendums had been promised but were not given by the party that won office at the general election.

5 pm

Emma Reynolds: I thank the Minister for Europe for that intervention. I will say two things about it. The first is that I do not remember the 1983 Conservative party manifesto. The second is that the Single European Act involved a massive transfer of power with the introduction of the four freedoms—goods, capital, people and services. The Maastricht treaty also involved a massive transfer of power from Westminster to Brussels through the inclusion of justice and home affairs within the competence of the European Union treaties. I would argue that both those treaties were much more significant than the Lisbon treaty. We will not take lessons from a party which has never, within my lifetime, granted a referendum to this country on—

Ian Lucas (Wrexham) (Lab): Does my hon. Friend remember the 1983 Labour general election manifesto?

Emma Reynolds: I have read it, and it is unforgettable, but perhaps that is not for this debate. We have become more sensible since then.

Mr Cash: The hon. Lady may not remember the precise terms of the 1983 Labour manifesto, but it was described as

"the longest suicide note in history".

On the treaties, the Maastricht treaty indeed represented a massive transfer of powers. As Professor Simon Hix confirmed, in his view it should have been subject to a referendum. There are very few on the Conservative Benches now who do not agree that we were right when we pressed for one at the time. However, the Lisbon treaty contains the ingredients of the Maastricht treaty. That is where the problem lies. A referendum was required on that because of the things that are now entrenched in the Lisbon treaty which come out of Maastricht, Amsterdam and Nice, plus all the add-ons that the Front-Bench team of the Labour party in government put through.

Emma Reynolds: I know that the hon. Gentleman is disappointed that back in 1993 he did not manage to win the vote on securing a referendum on the Maastricht treaty. I would like to look forward, rather than look back. I shall continue and conclude my remarks.

The changes outlined in clause 6 and other parts of the Bill pale into insignificance compared with the wholesale transfers of power in the Maastricht treaty and the Single European Act, as I outlined. In the House, on the Second Reading, both the Foreign Secretary and Minister for Europe reiterated the Government's commitment, as set out in the coalition agreement, not to agree to any transfer of power from Westminster to Brussels for the duration of this Parliament. If the Government are so committed not to transfer power, why do we need the Bill? Is it that their own Back-Benchers do not trust them to keep to the text of the coalition document?

The Bill is unnecessary. It is a dog's breakfast. It is a political gesture to calm the fears of the Eurosceptics on the Conservative Benches. The Government have failed to achieve their objective.

Tim Farron (Westmorland and Lonsdale) (LD): I thank the hon. Lady for being so generous. Does she agree that the Bill recognises the mood of the country? I am an enthusiastic supporter of the European Union, but the mood of the country is not the same as mine towards the European Union. Parliament needs to make a statement that guarantees that this place is sovereign, and that the public's power over our membership of the European Union is ultimate and paramount. The compromise in the Bill is surely intended to achieve that confidence among the public and to ensure that we do not wrap ourselves up in so much red tape that we cannot have a meaningful relationship with the European Union.

Emma Reynolds: I thank the hon. Gentleman for that contribution, and I will say two things in response. First, European Union legislation can, by its nature, be deregulatory if it is framed precisely and well. Several pieces of European Union legislation replace 27 sets of national legislation. A number of business organisations recognise that fact and are in favour of it.

On the hon. Gentleman's wider point, I will say this: I am new to the House, but since last May I have not had a single constituent bring that subject up, either in a surgery or on the doorstep, and I was knocking on doors on Saturday. My constituents are more concerned about their jobs, the trebling of tuition fees and the risks from overhauling the NHS than about technical procedures called passerelles, which, I wager, none of them has heard of.

In conclusion, the Bill is a political gesture that has not succeeded in calming the Eurosceptic wing of the Conservative party. In fact, it seems to have inflamed the passions of the Eurosceptics on the Benches behind the Minister. I am sure that that will be demonstrated today, as it was yesterday and in previous consideration of the Bill. In the words of the right hon. Member for Wokingham (Mr Redwood), the Bill is "shadow-boxing". According to the hon. Member for Clacton (Mr Carswell), it is a "piece of legislative PR". This political device has not only backfired, but resulted in a Bill that is confused, contorted and contradictory.

Priti Patel (Witham) (Con): It is a pleasure to follow the hon. Member for Wolverhampton North East (Emma Reynolds).

I rise to speak to amendment 81, which stands in my name, but first I would like to make a wider point. I fundamentally believe that it is a landmark piece of legislation. I have strong and clear views on Europe and on our relationship with it. It is fair to say that since 1972 this country has seen what I would describe as open-door encroachment on our sovereignty and decision making. When I speak to my constituents about all matters related to Europe, and when they raise those with me, one of the fundamental questions they ask is who governs this country. Is it Britain, or Parliament or Europe? I think that the Bill will bring some clarity to some of those questions and issues.

Mike Gapes: Given the tone of the hon. Lady's remarks, should she not be calling for an in/out referendum, and is she not disappointed that the Government have come up with such a weak and ineffective measure?

Priti Patel: I have spoken previously about various clauses in the Bill and have made it abundantly clear that I welcome it. There is no doubt about that. On the hon. Gentleman's point about an in/out referendum, I would like to see a referendum on many, many issues, some of which are in the Bill. I will now speak to one fundamental issue that I think should be in the Bill.

Chris Bryant: The hon. Lady has just said that we should have a referendum on many, many issues. Does that mean many, many referendums, or one referendum on many, many issues? If it is the latter, how would one know on what one was voting yes or no?

Priti Patel: As the debate has proved, many issues to do with the way in which we do business in this country are related to the laws and the decision-making powers of this House and the judgments exercised by Europe, and reflect the views of members of the public. Fundamentally, the British people have a right to vote on where we stand with Europe and on our relationship with Europe. I have been clear on that and consistently maintained that view.

Chris Bryant: The hon. Lady is being generous in giving way, for which I am grateful. She has just used rather Treasury Bench words. That is intended not to promote her, but to denigrate her, I am afraid, because those words seem rather woolly—I am merely recognising my previous sins. Does she mean in or out?

Priti Patel: I would be very happy if the country had a referendum on in or out of Europe, and I have consistently maintained that view. That is my personal view, but it is not the subject of debate on the Bill.

Amendment 81 would guarantee a referendum in the event that the EU proposed to reduce our powers over our inshore territorial waters up to the 12 nautical mile limit. I therefore ask the Minister and the Committee, through this debate, to put that safeguard in place. The amendment would not solve all the historical problems with the common fisheries policy, but importantly it would protect many of the efforts that this Government and the devolved Administrations are making in our sovereign territorial waters.

Mr Wayne David (Caerphilly) (Lab): On that point about the devolved Administrations, is the hon. Lady as concerned as I am about the evidence that the Scottish Parliament submitted, in which it worries that the devolved dimension is not being considered properly?

Priti Patel: Those issues should be given proper and due consideration.

As it stands, the Government and the devolved Administrations collectively exercise control and restrictions in our territorial waters up to the 6 nautical mile limit, and access is for British fishermen only. Access to our territorial waters between the 6 and 12 nautical mile limit is restricted to a handful of neighbouring countries. Those arrangements exist only by regulation, so at any time they could be amended by qualified majority voting and Britain could effectively lose control over access to its territorial waters within the 12 nautical mile limit of our shoreline.

The current regulation, passed in 2002, details the common fisheries policy arrangements for national territorial waters, and it expires at the end of 2012. As we know, the EU has plenty of flexibility to determine the future of our territorial waters, and I fundamentally believe that that is not in our national interest. The European Commission is, however, consulting on the post-2012 arrangements, and my significant concern is that through either that reform or future measures the majority of our European counterparts in the European Parliament or in the Council of Ministers will be able to determine the future of our territorial sovereignty.

I have been in touch with the Minister for Europe about the issue, and he has very kindly written to me to confirm that currently the Commission has no plans to change the arrangements, but I do not believe that we should leave it to chance, as it is simply not in our national interest to have other EU countries determining the future of access to our territorial waters.

Mr Cash: Will my hon. Friend bear it in mind that the infamous Merchant Shipping Act was taken through the House in 1988? It was struck down by the House of Lords for not being in compliance, it argued, with the European Communities Act 1972. I do not want to trespass too much on her speech, but I think she may appreciate that she is in what I would describe as extremely sensitive and, in my view, very sensible waters.

Priti Patel: I thank my hon. Friend for his remarks. There is no doubt that these are sensitive issues.

The Bill is significant and designed to protect Britain's interest, and now and in future we must think about the safeguarding of our territorial waters. We know about the state of fishing in this country, and I seek from the Minister an assurance that we will not concede more powers but consider the implications when changes come to the fore affecting our sovereignty and decision making in this House.

I shall touch on a couple of other issues. During the debate a fortnight ago on clause 8, the Minister for Europe, when challenged at length by my hon. Friend the Member for Stone (Mr Cash) and others, gave a very strong reassurance that this Parliament is sovereign on all matters. On this narrow issue regarding the common fisheries policy, however, my amendment would allow Parliament to exercise its constitutional power and disapply EU law that in my view is clearly not in our national interests.

As my hon. Friend says, these are sensitive issues, and I am not advocating a bust-up with Europe over them, but the amendment is about asserting our parliamentary sovereignty, on which many Members will agree. I seek the Minister's assurance that the Government are listening to the points that I have made. To summarise, I hope that they will safeguard the powers that we have over our territorial waters and that they are prepared, come what may, to defend the country's interests on this issue.

5.15 pm

Chris Bryant: I congratulate the hon. Member for Witham (Priti Patel) on her speech, but it exemplified the fundamental problem that I have with clause 6 and, for that matter, schedule 1. The Euroscepticism at the heart of the clause is a classic example of our exaggerated understanding of our own significance—in particular the significance of Britain and of our parliamentary tradition. That has been exemplified in many speeches this afternoon.

I always think it is ironic when people inveigh against other Europeans, often misquoting John Bright to say that this Parliament is the mother of all Parliaments, when he actually referred to England as the mother of all Parliaments. It is particularly ironic when people then refer to the first summoning of commoners to a royal Parliament—Parliament is of course a French word, not an English word—by Simon de Montfort. They quite often forget that he was in fact a Frenchman, and a profoundly anti-Semitic one at that. Incidentally, we only know the names of those who attended the 1258 Parliament because they had their expenses paid.

Mr Cash: We are enjoying the hon. Gentleman's speech, but I thought I would mention that although he is right about what John Bright said—I have just finished writing a book about him—John Bright was defending democracy. Given the problem of the democratic deficit that we so often have, he would have been appalled at clause 18 and absolutely appalled at the manner in which power has been accumulated and moved away from the people of this country, particularly those who are less well off.

Chris Bryant: I think that John Bright would have been appalled by nearly every economic decision that has been taken by the coalition Government since they came to power, so I do not think that the hon. Gentleman is on good territory in summoning him up in support.

I also point out that the first royal to build on this site was King Canute, who, of course, was Danish. We must therefore take a less effortlessly superior approach to the European Union in our discussions.

Mr Nigel Dodds (Belfast North) (DUP): The hon. Gentleman said that Euroscepticism lies at the heart of the Bill. However, he will have heard the hon. Member for Westmorland and Lonsdale (Tim Farron), who is ardently pro-European, also supporting the Bill. What is the hon. Gentleman's take on that?

Chris Bryant: The attitude of the hon. Member for Westmorland and Lonsdale (Tim Farron) is rather different from that before the election, as is that of the Liberal Democrat party. That will not surprise many Conservative or Labour Members. The hon. Gentleman seemed to suggest that a vast army of people are constantly campaigning on Europe and our relationship with the European Union. In my time in this House, which is coming up to 10 years, I think that I have received four letters from my constituents about our relationship with the European Union. I have received quite a lot of letters from other people's constituents, but remarkably few from my own. I agree completely with the hon. Member for Daventry (Chris Heaton-Harris) about the failure in the way in which we scrutinise the mandate that Ministers think they are taking to meetings of the Council of Ministers and the legislation that comes from the European Union. I have made that point many times to the House.

Mr David: My hon. Friend is making an important point about scrutiny, but does he agree that it is reprehensible that we did not have a statement and a debate in the House before the last European Council, and possibly the one before that?

Chris Bryant: I do. It is unfortunate that the Leader of the House has adopted the approach of insisting that pre-Council debates have to be provided for by the Backbench Business Committee from its allocation. Those debates are about the Government's mandate, and they should be in Government time. I hope that at some point the Leader of the House will change his position on that. We may well not need a full day's debate—two and a half hours might be sufficient. Having participated in nearly every one of them since 2001, along with my hon. Friend and neighbour from the south Wales valleys, I can fairly safely predict who will take part in them. I can pretty much guess exactly what they will say, as quite a few of us have single transferrable speeches.

[Chris Bryant]

I wish to refer specifically to some of the amendments in this group, and my points will be made against the background of my belief that the whole of clause 6 is nonsense. It will harm the power of the British Government to negotiate on behalf of the British people and advance the British interest. It will make Parliament look like a body that is not genuinely interested in significant economic or trade advances. To Indian, Chinese, Russian, Brazilian and Mexican potential counterparts, we will look like the country that is standing in the way of the means of enhancing trade with their economies. I believe that that is a mistake.

The hon. Member for Bury North (Mr Nuttall) tabled amendment 54 and referred to it earlier. As he knows, it would ensure that there could be no extension of the rights afforded to members of the EU by virtue of article 25 of the TFEU, which is related to article 20(2). I say to him that in the middle of the general election campaign earlier this year, as Europe Minister, I had to go to a meeting—I cannot remember whether it was in Brussels or Luxembourg—to agree to the paper on the founding of the European External Action Service that Baroness Ashton had brought forward as High Representative. Many member states were keen for the paper to contain specific provision for consular services, because as I said earlier, many of the smaller countries in the EU have no representation in many of the 190 or so countries in the world. They frequently use the consular services of other EU member states, and most of the larger member states, such as France, Germany, Italy, Spain and ourselves, are perfectly happy to extend the hand of friendship in that way. Sometimes it is paid for by the country concerned and sometimes it is not, but there is give and take between different member states, so we are perfectly happy for that arrangement to exist.

Mr Nuttall: Does the hon. Gentleman agree that such a give-and-take arrangement would be perfectly possible even without the existence of the EU? It would also be possible for countries outside the EU to make such an arrangement.

Chris Bryant: The hon. Gentleman is absolutely right, of course. I referred earlier to the fact that we have no representation in Laos. The Australians use our old embassy and residence—I am not sure whether they have bought them now—and provide consular support to Brits who get into trouble in Laos. Indeed, last year I had to visit Vientiane to try to sign a prisoner transfer agreement with Laos. We were eventually successful, and a couple of people have come back to the UK and are now serving their sentences in British jails.

The hon. Gentleman is absolutely right that we would not have to invent the EU for that, but there are different expectations of consular services in each member state. When we had the ash cloud during the general election campaign, British newspapers were just about the only ones in the world to campaign for the Government to intervene. They wanted the Government to bring British nationals back to the UK, but French newspapers, for example, thought that getting French nationals back was entirely the responsibility of the French people and their airlines, travel agents and insurers. As more people across the EU exercise their right to the freedom of travel within it, citizens' expectation of their consular rights will change.

I remember talking to my German counterpart. He said that he expected to close possibly half of all German embassies and consular services around the world over the next five years. Other member states may well do the same. There might come a point when there is an enhanced desire for a shared EU consular service around the world, but I was keen in the negotiations with him to ensure that Britain did not sign up to something that had not gone through a full process of consultation in each member state.

I was also keen to say that the main actions of the EAS should be far more concerned with extending our influence with the Brazil, Russia, India and China economies, ensuring that we had a shared attitude to the middle east and Russia, and ensuring that we enhanced our action in the Balkans to protect our security, rather than with matters such as consular services, which could involve significant additional costs. Obviously, if the EU acts to introduce its own consular services, the danger is that a significant amount of the cost will be borne by the UK.

I think the Minister would be happy with the agreement that I eventually signed at that time. He is studiously ignoring me and not listening, but I think he, too, would have been happy to sign up to that agreement, notwithstanding the fact that the Conservatives did not originally want the EAS to come into existence because they were opposed to the Lisbon treaty—*[Interruption.]* I think the Minister is nodding—certainly with his eyes if not his whole head—but without being contradicted, I will assume that he would have been happy.

Under amendment 54 tabled by the hon. Member for Bury North, that agreement would have required a referendum, but that would have been a mistake. It was perfectly possible to achieve the outcome that the UK wanted—namely, that the EU should not be extended to provide consular services, except in the way that is already laid down in unanimously endorsed treaties—and consequently, amendment 54 would have limited the Government's power to negotiate.

King Canute was trying to prove to his consiliare that he could not hold back the waters, but the Bill is like the King Canute of myth—the one who actually tried to hold back the waters. However, in seeking to create a bulwark, there is a danger that the Government have so limited Ministers in what they can give away that they will be unable to achieve anything on behalf of the British interest in other matters. In the long term, and indeed quite possibly in the short term, that will lead to significant dangers for us.

In particular, amendment 13 is misguided because it applies to the whole of enhanced co-operation, which would mean that Britain would never be able to sign up to an existing area of enhanced co-operation or initiate a new area of enhanced co-operation. Enhanced co-operation is an entirely voluntary process, so I cannot see how it could possibly be in the British interest to put such a dramatic brake on the power of the British Government to enhance their co-operation in a particular area.

5.30 pm

Amendment 8, which refers to the European financial stability mechanism, says that it is all right to extend it to Ireland but not to any other country. That misses the point. If it is right to be able to extend it to Ireland

without a referendum—I presume that the argument would be that it is in our direct economic interest because of our historic ties with Ireland—why would it not be the same if we obtained direct economic benefits from ensuring that the Spanish, Portuguese or French economies do not collapse? Why should that require a referendum, whereas the situation in Ireland does not?

Mr Cash: The hon. Gentleman refers to an amendment that I hope to address shortly. Part of my argument will be that that financial mechanism is unlawful. It was entered into by a former Chancellor of the Exchequer and endorsed by the coalition Government in circumstances that I shall describe. It is also still subject to scrutiny by the European Scrutiny Committee.

Chris Bryant: I look forward to hearing the hon. Gentleman's arguments. However, I do not understand why it is okay to support Ireland without a referendum, but impossible to provide such support to another country without a referendum.

Stephen Gilbert (St Austell and Newquay) (LD) *rose—*

Chris Bryant: I shall give way to the new Liberal Democrat.

Stephen Gilbert: I am grateful for the old hon. Gentleman's time and patience in giving way.

Is not a further problem that, in a time of crisis, quick action might be required, and a referendum lock could mean that the problem got a lot worse before action could be taken?

Chris Bryant: Indeed. Obviously, a referendum would also incur significant costs. The Government are trying to argue that holding the alternative vote referendum on any day other than 5 May this year would cost some £30 million. I presume that any referendum under the amendment would also cost some £30 million, and I think that that is inappropriate. The clause refers to "a common EU defence", and although I do not want to hand over the setting up of a standing army to the European Union, I acknowledge that there is already a European army, because there are troops from member states acting in Kosovo—and they have done so in Bosnia—as well as Swiss troops under an EU banner. I am reluctant to say that a referendum would be needed on any aspect of a common defence policy, because that would be a mistake in our national security.

Mr Cash: The hon. Gentleman referred to the cost of a referendum, but my amendment provides that a referendum would be held on the mechanism if the decision involved £5 billion or more. That is a vast amount, and that is why it should not go off to Spain or Portugal. I shall explain why if I get the chance to speak.

Chris Bryant: I look forward to hearing the hon. Gentleman's arguments.

My final point is that my anxiety about the drafting of this Bill, and in particular this clause and its attendant schedule, is that it is a lawyers' paradise. There will be constant judicial review of decisions made by Ministers. For instance, in the case of the agreement on the External Action Service, the eventual format would have been agreed by a Minister from any political party in this House, but it could well be subject to judicial review under the amendment. It is also true of many other elements of the clause, and it means that Ministers' actions at meetings in Europe will constantly be subject to judicial review. Rather than increasing the power of Parliament, that will actually increase the power of the judges in this country, which I consider to be a very big mistake.

Mr David: My hon. Friend makes an important point, but is he aware that the European Scrutiny Committee, when considering the issue of judicial review, concluded that the clause, which has been projected by the Government as an apparent safeguard, was an illusory protection, because, in its view, a decision on a referendum would be a political decision and therefore not subject to judicial review?

Chris Bryant: Indeed, I have read the Committee's report. I thought it was interesting, not least because the Committee includes significant Eurosceptics on both sides of the House. Much as I admire and respect—and almost adore—the Minister for Europe, I fear that the Bill is a complete and utter chimera. It does not do what it seeks to do, it will not do what many hon. Members on the Government Back Benches hope it will do, and in the end, it will damage the country's interests.

Neil Carmichael (Stroud) (Con): It is a great honour to follow so many excellent speeches, including, obviously, those from the hon. Member for Rhondda (Chris Bryant), my hon. Friend the Member for Witham (Priti Patel) and especially—to be honest—the shadow Minister, the hon. Member for Wolverhampton North East (Emma Reynolds), the style and structure, if not always the content, of whose speech were particularly impressive. It was absolutely first class—except in content.

I want to talk first about the general purpose of the Bill to remind us what we are trying to do, which is to restore the trust between the electors and any Government over their relationship with the European Union. It is really important to restate that, because we can get so confused about the detail, as I have noticed during today's and yesterday's debates. It is a matter of restoring trust. The second important thing about the Bill is that it is all about ensuring we have clear decisions that can, and should, be made by a referendum where appropriate.

We are arguing not so much about the useful lists in the Bill, but about some of the areas that might require more clarification. My key point is that the Bill addresses the transfer of power and competence: it is neither a retrospective measure on things we might not necessarily agree with nor an opportunity to tear up things already in place. We have to understand that and the Bill's limitations. Of course, its value lies in the fact that it ensures that, from now on, we as a country will have a clear capacity to decide whether we want powers and competences transferred. We have to get that clearly understood during these discussions.

Graham Stringer (Blackley and Broughton) (Lab): The hon. Gentleman gets to the heart of the Bill. It strikes me that a theoretical key test for the Bill—I would like him to apply his mind to this—is whether, had it been passed in 1996, the previous Labour Government would have had a referendum on the Lisbon treaty. Had it been law, would it have guaranteed a referendum? I have the greatest doubt, given the composition of the Commons at the time.

Neil Carmichael: I thank the hon. Gentleman very much for that helpful intervention, to which I will give an emphatic answer: yes, we would have had to have a referendum to ratify the treaty of Lisbon. That is the whole point of the Bill: to prevent such decisions—decisions such as the one by the previous Government not to have a referendum on such an important measure—from ever being made again. So the answer is yes, absolutely, and quite rightly so. The hon. Gentleman's question is a good one—and my answer is good too.

Graham Stringer: The hon. Gentleman is being generous in giving way again. I participated in the debate on the Lisbon treaty and I voted for a referendum, but I had no doubt in my mind that whatever was in the three parties' manifestos, there was a majority in this House against having one. That majority was so strong that it would have simply repealed a Bill such as this, and therefore it would not have applied.

Neil Carmichael: I really cannot imagine a Government repealing such a Bill—or Act, as it would be—in order to deny the country a referendum. That would be a recipe for attracting an incredible amount of unpopularity, because nobody would trust such a Government ever again. They would have to repeal such an Act in order not to consult the people, which is a highly improbable course of action—certainly by a Conservative Government and even, I would suggest, a Labour Government—so the hon. Gentleman should not worry about that. When this Bill is passed, it is likely to be in place for generations to come, because it will act as a powerful bulwark against the very machinations to which he has referred.

Mike Gapes: Does the hon. Gentleman believe in parliamentary democracy, or does he think that referendums should be the way we govern our country?

Neil Carmichael: Oh, I believe in parliamentary democracy. I made that clear when we discussed clause 18. I pointed out just how important it is to recognise that we are in the European Union because of an Act of Parliament. I stand by that, because I think it is vital. The Bill does not seek to undermine parliamentary power or parliamentary sovereignty, however we want to define it; it would simply ensure that we consulted the people over such major decisions as, for example, extending the European Union's power over us.

Mike Gapes: If the hon. Gentleman believes in parliamentary democracy as strongly as he says he does, how on earth can he say that the Bill would act as a bulwark for generations to come? Surely a House of Commons of a different composition could and should have the right to repeal any Act with which it disagrees. The Bill would not act as a bulwark, because if the people elected a different Parliament, that Parliament should have the right to make such decisions, rather than have them made through an ephemeral referendum, held on one particular day, which is then apparently binding for generations.

Neil Carmichael *rose—*

The Second Deputy Chairman: Order. Before the hon. Gentleman responds, may I gently remind him that this is not a Second Reading debate about the entire Bill? We are discussing specific amendments to clause 6, to which I am sure he is about to return, as he said he would.

Neil Carmichael: You are absolutely right, Ms Primarolo. I have been taken down this track by others. I am very keen to answer any questions, because it is important that questions are answered—I would not want to be accused of ignoring them—so I am going to respond quickly to that one. I did not say that the Bill could not be repealed; I simply said that it would not be repealed, because no Government in their right mind would be keen to deny a referendum in that way.

The Bill will strengthen Britain's negotiating position, because it will make sure—

The Second Deputy Chairman: Order. Mr Carmichael, I would like you to refer to the amendments. You have been speaking for some time now, and you keep saying that you are coming to the amendments. I would now like you to talk about them and not the general principles of the Bill.

Neil Carmichael: Thank you very much, Ms Primarolo. The problem is that I keep on getting interrupted.

5.45 pm

I have four amendments that I want to talk about, on three subjects. They are linked to what I was saying before, because there are key themes that emerge, and I would like briefly to canter through them. I want first to talk about amendments 100 and 13, which in many ways are similar, because they are about enhanced co-operation. I said in my opening remarks that it was important to talk about the fact that the Bill was all about transferring power and competences and ensuring that we had approval for that. Enhanced co-operation is not necessarily that, however; it involves co-operation between countries, although not necessary all EU countries. That is the nature of enhanced co-operation, but it also requires unanimity. We have to ask what would happen if we ever moved away from unanimity towards qualified majority voting, however, because that would be a different matter. While the process is simply a matter of nation states co-operating to implement or enhance a policy, it is perfectly acceptable. That is why I do not think it wise to accept amendments 100 and 13, and I suggest that the Minister recommend that the Committee reject them. That was the point I was trying to make about the importance of understanding what we are talking about, which is power and competence.

Chris Bryant: I think the hon. Gentleman is disagreeing with himself. If he supports amendment 13, he surely cannot support amendment 100, and vice versa. It is a matter of quid pro quo, or perhaps quid pro euro.

Neil Carmichael: I am sorry if I did not make myself clear enough: I do not support either amendment.

Chris Bryant: But amendment 100 removes some elements from the Bill, while amendment 13 includes some, so it must be either A or B.

Neil Carmichael: My position is that neither of them needs to be supported. I believe that the present situation is perfectly acceptable, and we need to concentrate on the question of power and competence.

The European financial stabilisation mechanisms are also very important. The critical point is that we are not in the euro, and that ECOFIN makes the decisions through the qualified majority voting procedure, so any attempt to make changes in that regard would not necessarily have the desired effect. We have no plans to join the euro. Amendment 8 would be necessary only if we decided to join it, which we certainly do not intend to do. I might add that this legislation will make it a necessity, for the first time, to have a referendum before we are able to join the euro. That is really useful.

Mr Cash: My hon. Friend is talking about my amendment, but I am afraid that he really does not seem to understand what it says. I say that with great respect. It has nothing to do with the euro; it relates to a financial mechanism that was brought in by the previous Chancellor of the Exchequer on 9 May last year and endorsed by our own Government. I can assure him that the amendment has nothing to do with the euro, so he can relax.

Neil Carmichael: But it has got something to do with ECOFIN and with our interest in ensuring that the euro remains strong, because we must remember that 50% of our trade is with the euro area. That is not to say that we should join the euro; we should not. I am simply reflecting our economic position.

Chris Bryant: I agree with the hon. Gentleman's last point about ensuring that the euro is strong; otherwise, there could be enormous impacts on the UK economy, not least because we are, in many regards, the banker for the rest of Europe. However, I think he is wrong to say that clause 6 means that a future Government could not join the euro without holding a referendum. All that a future Government would have to do would be to pass an Act of Parliament saying that, notwithstanding the provisions in this Bill, we were none the less going to join the euro.

Neil Carmichael: I anticipated that point, which is why I made so much effort in response to the interventions by the hon. Member for Ilford South (Mike Gapes). I just do not believe that any Government would repeal this legislation, because it would be suicidal to do so. I am therefore absolutely confident that the provisions in the Bill will be implemented, because no Government would ever decide to go against public opinion so flagrantly. That would be tantamount to postponing a general election for years and years. It would simply not be an acceptable step.

I come now to amendment 81, tabled by my hon. Friend the Member for Witham (Priti Patel). The first thing to say about the common fisheries policy is that it does not really work very well. We want to find ways to protect fish and fishermen, but the CFP is not an effective tool. Let me say a few words about it. The CFP was introduced to this country in the early '80s after the 10-year moratorium agreed and negotiated under the original Act of Parliament that brought Britain into the European Union in the first place. It was the late Lord Walker who, as the Minister for Agriculture, Fisheries and Food negotiated it in the early 1980s. Our Margaret Thatcher, the Prime Minister of the day, pointed out, as I saw on a memorandum released under the 30-year rule, that "these are our fish" and so forth. There was a lively debate about how the CFP was constructed.

We cannot be retrospective about this issue, however. What we must do instead is make sure that an empowered British Government demand the reform of the CFP. Having a referendum on it now will not be effective. A ruthless approach to reforming the CFP so that it reflects the interests of Britain, the interests of fishermen and, indeed, the interests of fish is the most urgent and necessary requirement. I do not think that amendment 81 is particularly helpful, although I recognise and understand that all the amendments I have mentioned are in this grey area, where some clarification is required.

The Bill helps us in many ways; so, too, do the explanatory notes. We should rely on the list set out in schedule 1 and on the details of clause 6, as these provisions set out the substantive issues that we need to debate—and the British public will expect us to vote on them, as these are the areas that have been neglected in the past, as a result of which we have lost the trust of British people.

In summary, it is critical to remember that the Bill is about having referendums on the transfer of power and competence. It is not about tinkering with policy, which is the job of Ministers in the various Councils in the European Union. It is the job of this Parliament to secure and protect the capacity of the British people to be able to say no to a transfer of power from Britain to Europe. I believe that that is an acceptable position, and it is the right one for us to support. It is, I think, captured very well in the Bill.

Several hon. Members *rose—*

The Second Deputy Chairman: Order. Before we proceed, I want to say to Members that given the breadth of the debate on this group of amendments, I am not minded, under the Standing Orders, to take a clause stand part debate. I hope that hon. Members will bear that in mind when they make their contributions—although those who have already spoken do not appear to have done so.

Mike Gapes: Thank you, Ms Primarolo. I take it, then, that if I widen my remarks, I will remain in order—subject, of course, to the occupant of the Chair.

I begin by following up a comment of the hon. Member for Stroud (Neil Carmichael) when he said that the former Prime Minister had said, "They are our fish". One thing about fish is that they do not stay in one place; they can move. If they do not move, they may be over-fished, and there may be a need to have some kind of collective policy to protect "our fish". It is very easy to say that these are "our fish", but the fish might swim away and not come back another day.

Mr Cash: When fish are thrown overboard, they are dead; then they do tend to stay where they are.

Mike Gapes: That is very true. The hon. Gentleman should therefore welcome the fact that I am a signatory to an early-day motion on this very issue, which was tabled recently by one of his colleagues.

Mr Redwood: I am sure that the hon. Gentleman has been here long enough to know that signing an early-day motion never succeeds in doing what we wish. Does he have any better ideas for saving our fish? I am with him in wanting to do so.

Mike Gapes: We need a general approach that recognises that the planet's resources are finite, so we need to try our best to conserve them. In saying that, however, I am

[Mike Gapes]

sure that I am moving well away from a clause stand part debate or indeed from a debate on any of the amendments to clause 6.

The hon. Member for Westmorland and Lonsdale (Tim Farron), who is no longer in his place, tried to explain why the Liberal Democrats support the Bill and clause 6 in particular. I was struck by the fact that the real reason for that support was not explained. The real reason lies in the fact that a party that is allegedly pro-European—and whose Chief Secretary to the Treasury used to work for the European Movement—has become very European in the sense of taking on the Stockholm syndrome.

The Liberal Democrats have been captured by their partners to such an extent that they have signed up to making a gesture towards the Eurosceptics, giving the impression to the hon. Member for Witham (Priti Patel) and others who would rather have an in/out referendum—she said as much in response to an intervention—that the proposals before us are highly significant. I suspect that, in many respects, they are not significant, but if they were, and if many referendums were to be triggered in respect of the list of items set out in the Bill, and particularly those in the amendments in the group, the cost of having them would be enormous. I refer not just to the costs of running the referendums, but to the costs of the litigation and judicial reviews that would be incurred—as usual, it would be the lawyers, not the British people, who reaped the financial benefit out of the provisions. We would simply have to pay for the processes brought about by these measures being incorporated into the Bill.

The hon. Member for Stone (Mr Cash), the Chairman of the European Scrutiny Committee, and I had an exchange about these issues on Second Reading. He seemed to agree that there are dangers in bringing about a large amount of litigation and in conferring extra powers on the courts, taking them away from our parliamentary democracy. What we face today is the potential for this to become a dog's breakfast and a lawyers' paradise.

Amendment 8, tabled by the Chairman of the European Scrutiny Committee, deals with the European financial stability mechanism. This would not only be costly; it would not be in this country's national interest. As the hon. Member for Stroud pointed out, more than half our trade—I think it is 60%—is with our fellow EU member states. We therefore have a national interest in the success of the euro; we have a national interest in growth in the German, French, Danish, Dutch, Spanish and Portuguese economies, for example; and we have a national interest in the prosperity of the European region.

It follows that measures will be required to stabilise the financial institutions in the EU, to stop the collapse of banks, to deal with a crisis such as we have seen in Greece, and to deal with the change in the Irish Government that is likely to happen in the next few weeks or perhaps to respond to the welcome return to government of a man who was a Finance Minister under the excellent Labour Government in Ireland, Ruairi Quinn. In light of that, it will be in our national interests to assist the stability and success of the other European economies. Amendment 8 should be opposed vigorously, because it is not in the interests of this country.

6 pm

Mr Cash: As the hon. Gentleman knows, I tabled amendment 8. He has described the apparent tremendous advantages of the eurozone to us, and indeed the Government sometimes say much the same. The problem is that as a result of the failures of European economic governance and the failure to repatriate the regulations that are imposed, there is no growth in the EU as a whole. We are in the process of being enmeshed in an imploding European Union. So I do not entirely agree with the hon. Gentleman, although the reasons for my amendment are not directly connected with that.

Mike Gapes: The hon. Gentleman and I have been debating these issues for nearly 20 years. We have never agreed on matters relating to the European Union, and I do not think that we are going to do so now.

I do not believe that it will benefit our country if the European Union and the European economies implode, as the hon. Gentleman seems to wish them to do. Certainly there are problems in some—not all—European Union economies, and some, including the German economy, are growing quite rapidly. At the same time, the world's economic centres are shifting, overwhelmingly to Asia but also to other parts of the world, and as a result we as Europeans will face a very difficult period in the coming years and decades. We need to think carefully about what will happen if the British economy is speculated against in the next 10, 15 or 20 years, and—given that the coalition Government are presiding over a return to recession—about what will happen to the long-term future of the economy if, as the hon. Gentleman wishes, the European economies fail and the European Union implodes.

Mr Redwood: I certainly do not want those economies to fail. However, if, according to the hon. Gentleman's analysis, it is right to involve ourselves in economic governance and in mutual subsidies to protect our trade in physical goods with euroland, should we involve ourselves in the same way with the rest of the English-speaking world? Should we aim for stronger economic governance and more transfer of subsidies to protect our extremely important trade in services, most of which takes place outside Europe?

Mike Gapes: Mr Caton—

The Temporary Chairman (Martin Caton): Order. I am advised that that question is not strictly relevant to clause 6, so I invite the hon. Gentleman to proceed with his speech.

Mike Gapes: I was about to seek your advice, Mr Caton. I would love to become involved in a debate on the merits of European co-operation and a new Bretton Woods, and numerous other such issues, but I do not think that they are covered by clause 6.

The questions with which the Bill confronts us are "Is it necessary?", "Does it do what it says on the tin?", and "What will be the effects of it and, in particular, of the amendments and clause 6 if they become law?" In my opinion, either this is a recipe for litigation and a lawyers' paradise, as others have said both on Second Reading and today, or it is irrelevant. Indeed, it may be both: it may be irrelevant in essence, but may none the less serve as a mechanism enabling people to opt for

judicial reviews and litigation when referendums are not proposed on certain aspects of decisions made in the European Union and the Council of Ministers.

We are experiencing a difficult period in this country. Very few politicians have had the courage to stand up to the Murdoch press and the Eurosceptic media, and the capitulation of the Liberal Democrats over the last few months, as they have changed their previous approach to the one to which they have signed up in the coalition, further weakens the voice of pro-European people in the country.

Stephen Gilbert: I note the accusation of Stockholm syndrome, but I suspect that the hon. Gentleman is suffering from amnesia. The Liberal Democrat manifesto was clear: it said that there would be a referendum

"the next time a British government signs up for fundamental change in the relationship between the UK and the EU."

The coalition is committed to ensuring that that does not happen.

Mike Gapes: Perhaps when he makes his own speech the hon. Gentleman will be able to clarify whether the Liberal Democrats are still in favour of a "big bang referendum", as was suggested on some occasions, whether—as happened with the Lisbon treaty—they will vote in three separate ways on any of the issues that arise from clause 6, and whether the Liberal Democrats in the other place will vote in line with their Front-Bench colleagues here or will also be split in three directions.

I believe that the measures before us are not necessary and should be rejected. I shall vote against clause 6 and the amendments concerning, in particular, the European financial stability mechanism, which I think would be positively damaging to the future of our country.

Mr Cash: Excellent amendments have been tabled by my hon. Friends the Members for Daventry (Chris Heaton-Harris), for Witham (Priti Patel) and for Hertsmere (Mr Clappison), and perhaps by others whom I have omitted to mention. There are quite a few amendments here which deal with matters raised by the European Scrutiny Committee, and which relate in particular to gaps—as we described them in our report—in the control mechanisms of part 1. Those matters, which have been discussed quite extensively, involve extensions of European Union competence in criminal law and procedure and in family law, opt-in decisions, and enhanced co-operation in internal passerelles. The amendments deal comprehensively with those issues, and in doing so demonstrate their necessity.

The proposal relating to criminal procedure has been raised by the European Scrutiny Committee in the past. In particular, the Committee has raised the issue of serious crime with a cross-border dimension. Despite denials over the past decade or so that there would be any serious engagement in the field of criminal law, there has been an increasing encroachment on it. There are serious problems, which are often procedural. We should also consider the manner in which criminal justice is activated and operated in other member states. We do not want to assume that everything that we do is perfect; indeed, we have plenty of evidence that it is not. However, there are certain basic principles that go to the heart of the manner in which trial by jury operates and the manner in which people are arrested. I could continue at great length.

Mr Clappison: My hon. Friend is making an extremely powerful speech about a very important point. He has referred to the rationale behind the proposals from the European Union, and has cited serious crime with a cross-border dimension. Can he confirm that when jurisdiction is given to the European Union through an opt-in, it applies not just to cross-border crime but to all criminal law, and brings all the criminal law in this country within the jurisdiction of the European Court of Justice and future proposals from the European Commission?

I do not wish to use the word "bogus" or the word "misleading", but the European Union's rationale is apt to mislead. The creation of a common European criminal justice system is profoundly significant.

Mr Cash: Indeed. I pay tribute to my hon. Friend, who, as a member of the European Scrutiny Committee, played an important role in the preparation of its report. As I am sure he will speak in the debate, and given his expertise as a member of the Select Committee on Home Affairs, I shall restrict my own remarks, and leave it to him to deal with these questions in his own time and his own way.

I simply make the point that these are well-founded concerns, and I can think of no reason on earth why the Minister would not want to accept these amendments. Perhaps he will, but while the Government have had regard to what the European Scrutiny Committee has said in a report that has been universally welcomed—by both Front-Bench teams and by all those with the competence to understand these matters—they have tended to ignore that almost entirely in considering our recommendations. I shall return to that issue later, but not today.

I turn to the reasons that we gave in the European Scrutiny Committee report regarding questions of criminal law:

"To be consistent with the extension of shared competence under clause 4"—

we debated that yesterday—

"the application of both of these provisions"—

the two provisions and the amendments relating to criminal procedure and serious crime—

"should be premised on a referendum and Act of Parliament, as in clause 6; not an affirmative vote before the Government's opt-in decision and an Act of Parliament before it agrees to the adoption of the legislation."

The fact that the report states that ought to be put on the record. Our view is that family law

"is...of similar if not greater importance to social or environmental policy and ought to come within clause 6, triggering a referendum as well as an Act."

We can see no reason for not doing all those things.

On opt-in decisions, I defer entirely to my hon. Friend the Member for Hertsmere. Our conclusion is that it

"would seem to us consistent with the aim of Part 1...for all opt-in decisions to be subject to formal Parliamentary approval."

My hon. Friend the Member for Witham referred to fishing, and there she was in sensitive and deep waters. She explained very well the six-mile limit, the fisheries limit of up to 12 miles, the 2002 regulation and the associated issues, but that does not alter the fact that this is a serious problem for the fishermen of the United Kingdom. In considering the idea that there should be

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any restriction of our sovereignty and territorial limits in these matters, we should remember that the entire fisheries policy, which we shall not debate in detail today, I can assure you, Mr Caton, is a complete travesty. There is no question about it: it constitutes the most monumental waste of good fish, which are thrown away and literally left to rot. It is pathetic, and I need say no more than that. That we should regain a degree of sovereignty and territorial competence in relation to fishing is to my mind a given.

Mr Redwood: My hon. Friend has made a very powerful comment. Many of us have felt for many years that the fisheries policy was a scandal. Successive Governments have said that they would do something about it; none have yet succeeded. Does this not show why we are also worried about the surrender of criminal justice powers? We are surrendering them to the very people who have made such a mess of our fisheries.

Mr Cash: Absolutely, and the same problem permeates so much of what goes on in the European Union. I am anxious not to get into discussing the merits of the European Union as a whole, and I shall certainly ensure that I keep to the amendments; but I entirely agree with my right hon. Friend. I will come on in a moment to the financial stability mechanism, and try to demonstrate exactly how wrong I think the hon. Member for Ilford South (Mike Gapes) is about the broad questions attached to it. I shall also deal with the mistaken remarks of the hon. Member for Rhondda (Chris Bryant) regarding the necessity for my amendments.

6.15 pm

Before I deal with my amendments, I want to discuss the provisions relating to enhanced co-operation and internal passerelles. Our Committee recommended

"that a decision by the UK to enter enhanced cooperation where the voting procedure has been changed from unanimity to QMV be subject to a referendum lock."

To my mind, the very idea of such a change is enough to fill me with absolute horror. One aspect that has not been discussed at all during these proceedings is what is euphemistically and rather foolishly known as the ordinary legislative procedure, which I objected to all those years ago when discussing the Maastricht treaty, and which was then described as co-decision. Even in those days, it became apparent that it would be a severe invasion of the sovereignty of this House. Indeed, now we are faced with decisions that are virtually taken away from us by the use of this procedure. It would be invidious of me to go into all that now, but I want to place on the record that this is what is going on, and it is a very dangerous invasion.

My objections regarding sovereignty, which I expressed, I hope, with some clarity in my speech on clause 18, therefore also apply to the manner in which mechanisms in the Bill and mechanisms already provided for under treaties from Maastricht right the way through to Lisbon have, by their very nature, taken away from this House massive powers. People outside just do not know it, and I severely criticise those in the media who do not give enough attention to the extent to which representatives in their own Parliament are being inhibited in the democratic process of exercising the right to make decisions on behalf of those whom they represent. That is the essence of the problem.

I commend the speech made by Mr Speaker last week, in which he dealt with two vital matters: the sovereignty of this House and the reasons for it; and scrutiny, including of European business. I wonder whether the Government have really understood the perils to which they are subjecting the British people through the democratic deficit they are creating, despite the talk of a referendum. The Minister for Europe has already told us that the Bill's referendum provisions will not be implemented during this Parliament—heaven alone knows what will have happened between now and then anyway—and that includes the treaty arrangements that Monsieur Fillon is putting forward. We have got used to the whiff of grapeshot. We hear these things and he comes over, has a meeting with the Prime Minister and the Prime Minister has a press conference in which he does not rule out a treaty. He says that we will not be lured into the same arrangements as theirs, but my goodness, we will be locked into them sooner or later. The same applied to the Maastricht treaty and to the treaties of Amsterdam and Nice. Same old story, same old solution—but unfortunately, it is not a solution that is to the benefit of the people whom we represent in this House.

I am deeply worried about that. Of course, if we were told that the treaty was going to be vetoed, we would be extremely pleased, but we have not heard that. Some will say, "Oh, it's just speculation", but I am afraid that I do not think it is. The treaty deals with social policy, fiscal policy, political decision making and the whole question of economic governance. I therefore strongly recommend that the Government adopt the amendments I have mentioned. I leave it to those who have proposed them to decide whether they will press them to a vote.

On enhanced co-operation, I simply recommend that people read the evidence from Professor Dougan of Liverpool university. It is referred to in paragraphs 52 to 55 of our report. He cogently demonstrates the reasons and the necessity for the proposals in our report.

I shall now discuss my amendment 8, on which I need to set out a bit of the history attached to it, because the House of Commons and the people of this country are confronted by a strange situation. I am being given the opportunity to set this out with clarity, because neither this Government nor the previous Government have done what they should have done at the appropriate time. The British taxpayer has thereby been unnecessarily exposed, and we are talking about billions and billions of taxpayers' money. I will explain why the amounts in question are as they are and how it happened. I ought also to add that this relates to the European financial stability mechanism, which was the mechanism that was partly used for the Irish bail-out. I need not go into the provisions of the Loans to Ireland Bill, because we dealt with that. This was a bilateral loan and that was my suggestion to the Chancellor when the matter first came up on the Floor of the House—perhaps it was a case of minds working alike. I can say only that I am glad that I at least got it on the record that we should opt for a bilateral loan, if anything, and if it were in our national interest. However, on 9 May, after the general election but before the coalition agreement was entered into, the previous Chancellor agreed at an extraordinary ECOFIN meeting that he would engage in this process. A discussion took place, and it is referred to in the explanatory memorandum supplied by the Government.

The subject will be debated by European Committee B on 1 February—the Financial Secretary to the Treasury has come into the Chamber and I suspect that he will be answering that debate.

Mike Gapes: Just for the record, is it not a fact that the outgoing Chancellor would have consulted the then shadow Chancellor, who was about to become Chancellor, at that time? So rather than inadvertently giving the wrong impression, perhaps we should put it on the record that in that transition period it would have been necessary and proper for the previous Chancellor to be in discussion with his successor, so that there would be no ambiguity about what would happen.

Mr Cash: The hon. Gentleman is absolutely right on that important point, and I was immediately coming to it—I have in my hand the explanatory memorandum, to which I referred before he intervened, precisely for that purpose. It stands in the name of the Economic Secretary to the Treasury. A scrutiny matter is still outstanding, so paragraph 26 comes under the heading of "Other observations" and states:

"The Government regrets that the Scrutiny Committees"—

those of the Commons and the Lords—

"did not have time to consider this document before it was agreed at Council."

I can tell the House that that happened because we were in a caretaker period and the European Scrutiny Committee, as such, was not sitting in that interregnum. The memorandum continues:

"It should be noted that whilst agreement on behalf of the UK was given by the previous administration, cross-party consensus had been gained."

That is why I made the point that the responsibility lies with both this Government and the previous one.

Austin Mitchell (Great Grimsby) (Lab): I am following the discussion with great interest and some concern. As I understand it, we are talking about a decision that could have been taken, and was being taken, by a majority vote, and our outgoing Chancellor could not have stopped it anyway. Is that correct?

Mr Cash: People keep saying that, but let us examine the actual operation of the European financial stability mechanism. The final decision is taken under the regulations concerned—this is what happened in the context of Ireland—only after the request has been made by the member state. I do not know whether this is one of the reasons why the current Taoiseach—only for the time being, it appears—is in deep trouble, but that is possible. What I do know for certain is that the prescribed procedure laid down under the regulations made under article 122 of the treaty on the functioning of the European Union was infringed by the manner in which the International Monetary Fund, the European Central Bank and others moved into Dublin before a request had been made. As we can recall, the Irish Government were saying that they had not made a request and that they did not need the money. It is also true to say that Mr Socrates is saying much the same at the moment.

Austin Mitchell: The hon. Gentleman is being very patient with us and the serious explanation he is giving is well worth considering. I also understood that article 122 was intended to apply to a destabilisation of the euro because of some kind of natural disaster. The destabilisation that took place was caused by the inherent faults in the euro, so why has article 122 been extended to cover a destabilisation resulting from the cracks and failures of the euro itself, given that it should have applied only to natural disasters?

Mr Cash: The hon. Gentleman and I have engaged in debates on the European question since we first met. I have the greatest respect for him and he has hit the nail right on the head here, because this problem does not just arise because of our exposure to what happens in Portugal and Spain in the future; it also arises from the lack of a sound legal base for the decision taken in the first place by the outgoing Chancellor and endorsed subsequently by the incoming Chancellor. We know that there was a consensus and that an agreement was reached—that answers the question put by the hon. Member for Ilford South. I would not be going about this if I did not believe that substantial matters of principle and of huge cost to the taxpayer are involved.

Mr David: The hon. Gentleman has raised an extremely important point. I wish to emphasise that he is correct to say that there was a consensus between the outgoing Chancellor and the incoming Chancellor—proper discussions and consultation took place—but that was not the impression given to this House by the current Chancellor of the Exchequer.

Mr Cash: I was not necessarily here when an impression was being given one way or the other. What I do know is that I have an accurate record of what did take place. I also have with me an article from Monday 10 May containing what are clearly accurate descriptions of the position of the then Chancellor—I believe he was just still the Chancellor then, because the coalition agreement had not been entered into. I recall writing to the Prime Minister on that day, suggesting, among other things, that he should go for a minority Government. I also said that if he was determined to go down the route of a coalition, he should require the Liberal Democrats to abstain on any matters relating to Europe that came up. That possibly explains some of my concerns as matters have developed and more and more European decisions, roadblocks and other difficulties in respect of the decisions we took in our manifesto have emerged.

Austin Mitchell: I am grateful to the hon. Gentleman for giving way; he is very patient. I normally agree with his views, even though I usually express them in rather shorter compass. He still has not answered my question, however, about whether what was agreed at the meeting was a distortion of the original purpose of the machinery, which was intended for coping with natural disasters and should never have been extended to destabilisation and problems caused by the euro.

6.30 pm

Mr Cash: Absolutely, and I shall elaborate on that very quickly. Article 122 concerns matters of emergency and natural disasters, and its use for the purposes of financial stability is clearly—as the European Scrutiny Committee has said—not based on a sound legal footing. That is the issue. I had made that point, but I am happy to repeat it. However, it goes further: because of the failure of the legal base, the whole deal is vitiated. That is the problem. The deal was done in an interregnum and by consensus between the two Chancellors, but it

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ends up being vitiated as a matter of law. That is very serious given that the whole deal is for €60 billion—£52 billion—but according to the right hon. Member for Edinburgh South West (Mr Darling), the United Kingdom is exposed to a risk of £8 billion.

Mr Redwood: Although we must ask the former Chancellor and the Chancellor to speak for themselves, as I understand it the former Chancellor quite properly consulted the then shadow Chancellor, who said, "You are the Chancellor"—he could not be sure at that point that he was about to become the Chancellor, because there was no coalition agreement—"and it is for you to make the decision." It is also fair to say that I do not think that the present Chancellor objected to the proposal or sought to block it. I think he felt that it was not his decision to make. It was not a co-decision; it was a decision by the former Chancellor, which the present Chancellor knew about.

Mr Cash: It was indeed. Furthermore, this is not just a bit of esoteric dancing on the head of a pin. The Select Committee on Political and Constitutional Reform has examined the matter and I happened to be watching its proceedings when there was a discussion involving Professor Hennessey and two other eminent professors, Professor Hazell and Professor McLean. My hon. Friend the hon. Member for Isle of Wight (Mr Turner) asked a perceptive question about the status of the arrangement in the context of the Cabinet manual, which, as we know, is now out in the open and being discussed by that Committee in relation to caretaker Governments. The conclusion was that it was within the province of the incoming Chancellor to enter into such a bilateral arrangement in that context, in which he made his decision based on the information he was given by the outgoing Chancellor. My right hon. Friend the Member for Wokingham (Mr Redwood) is right. The problem is that, if that was unlawful, there was no basis on which either of them should have come to that conclusion.

Mr Redwood: As I understand it, the current Chancellor refused to make a decision. It was not a co-decision. He did not object or support it, but said that it was for the outgoing Chancellor to make the decision. Of course, in practice, if he had not agreed he would have unscrambled it when he got into office, because he had the majority and the outgoing Chancellor did not.

Mr Cash: I am very happy for that matter to be looked into further. My right hon. Friend might well be right, but I have an article that quotes the outgoing Chancellor of the Exchequer on the BBC's "Today" programme, saying:

> "Overall it is a very good deal for all of us in Europe but also for the wider world. It is"—

something for us "together". He also said:

> "Our exposure for the additional amount of money could be £8 billion".

The article also states that he

> "confirmed he had spoken to Shadow Chancellor George Osborne and Lib Dem Treasury spokesman Vince Cable about…responsibility for it"

and goes on to state:

> "All three had agreed 'there was no way Britain was going to underwrite the euro'."

When he was pressed, he said:

> "I am not going to disclose the conversations we had, because we had them on the basis that they were private and confidential."

The article goes on:

> "A statement issued after the talks confirmed that the new fund placed the potential risk squarely with the eurozone."

That worries me. I do not know where that came from, because it most emphatically is not the case, as we are not part of the eurozone.

I hope that the Select Committee on the Treasury will look to considering all that. We are talking about substantial sums of money, about an interregnum period and about a rather unusual situation. We might be talking about errors of judgment involving considerable exposure for the taxpayer. For all those reasons, it is very important that we get to the bottom of this. We do not need to turn it into a witch hunt—I do not believe in those sort of things—but as regards scrutiny and accountability, this is an important matter that needs to be resolved properly and efficiently.

Proper answers need to be given, the Treasury needs to put forward the arguments that it presented and it should disclose the papers. We know perfectly well that, in the kerfuffle of 9 May and the days leading up to it, the then Chancellor might understandably have had a lot on his mind. In the circumstances, all sorts of things could have gone wrong. That is the moment, as I see it, when important strategic decisions involving enormous amounts of money and affecting the taxpayer on what I would term an unlawful basis—a basis that certainly is not legally sound—need to be considered very carefully.

It might not surprise some hon. Members that I tabled amendment 8. In all such circumstances, other than the situation vis-à-vis the Republic of Ireland, attention should be drawn to these matters, but under no circumstances whatsoever should we give money to Portugal or Spain when there is a facility, agreed at around the same time, for €400 billion to be available for the eurozone. Now a new arrangement has emerged which will be made available permanently after March 2013. If Portugal and Spain are going to go under, however, they will definitely go under before March 2013.

Mr Redwood: On the important point raised by the hon. Member for Great Grimsby (Austin Mitchell), is it not the case—my hon. Friend the Member for Stone (Mr Cash) would know—that the German Government are so worried about the legality of what was done under article 122 that they think we need a new treaty to cover that point?

Mr Cash: My hon. Friend is absolutely right. I have here an incredibly interesting article from this week's edition of *Newsweek*. It is headlined, "To Rule the Euro Zone". Hon. Members will know that I have tried to take a mild interest in European matters since I came to the House—I notice that one or two people are quite surprised—and I do so for good reasons. Indeed, in the first book I wrote on the subject, "Against a Federal Europe", I drew attention to what I then perceived to be a significant danger that Germany would take a disproportionate and predominant role in European affairs, for which I received a great deal of censorship and some abuse. It was suggested that I was talking about the Germans in rather disrespectful terms, which

was quite untrue. However, the sub-heading to an extremely interesting article by Stefan Theil, dated 23 January 2011, reads:

"The unified currency was supposed to limit German power. Now the Germans are in charge—and no one is happy, not even the Germans."

The article merits careful reading.

Mr Clappison: I am listening to my hon. Friend with great interest. In his analysis, if the events that he predicts were actually to occur, how would they be covered by the Bill as it stands, without the benefit of his amendment, or would they not?

Mr Cash: The short answer is not at all—that is the problem. That is why I tabled the amendment. I am very sad that more people do not have the opportunity to listen to this, because we are talking about a grand total of £8 billion of British money, which is a vast amount given the austerity that is expected of people. After the Irish bail-out payment has been excluded from the same zone, there is also the completely unwarrantable notion to which the decision commits us, unless it is unlawful and is challenged. I invite the Government to challenge it in the European Court—that is the route they should be adopting. That is what I have recommended to the Chancellor. I said, "You must vote against this and challenge the legality of it." Whether or not he entered into some understanding at the time is a matter to be unravelled, but what is certain, to come back to the point made by the hon. Member for Great Grimsby (Austin Mitchell), is that the decision does not come within the framework of article 122—and the European Scrutiny Committee believes the same.

Austin Mitchell: I am puzzled, because the hon. Gentleman is attaching his faith to the €400 billion fund, which would mean that the new arrangement, which was agreed by the then Chancellor and the European Council on 9 May, would not be necessary. That is a puny fund compared with the scale of the problems. If Portugal goes and Spain follows, all that fund will be absorbed and will be necessary, and we will have to fall back on the provisions of article 122. The Irish loan has been portrayed by the hon. Gentleman and the Chancellor as a one-off loan between friends and business partners, but it must have been paid under the article 122 arrangement, so we have already sold the pass.

Mr Cash: The hon. Gentleman is not wrong to say that the situation has already taken place for Ireland, but that must be seen in light of what has yet to be established—whether or not it was lawful. More investigation is needed on whether that payment would ultimately be ultra vires, or beyond the law, and therefore reclaimable. I do not want to go too far down that route other than to say it needs to be looked into. Furthermore, the financial stability mechanism has not yet passed the scrutiny of the European Committee that is meeting on 1 February, so it is still subject to a decision of the House, although some might argue that the Rubicon has already been crossed.

Austin Mitchell: This is an important amendment for which I shall certainly vote, and I hope that the hon. Gentleman pushes it to a Division so that I have that opportunity. The legality of the decision and the use of article 122 in this way—for a purpose for which it was not intended—is subject to a decision by the European Court, which is a federal institution and always rules in favour of the federal side of the argument. So, I am afraid that his hope that the decision will be ruled illegal will not prevail.

Mr Cash: That is a general proposition with which one might agree in many instances, but analysis of the use of article 122 in this case, if it is examined as carefully as it should be, would give rise to so many uncertainties that the Court would have grave difficulty in trying to justify its use. However, that is looking to the future.

6.45 pm

We are here in this House and I am suggesting, as is obvious from my amendment, that the provisions that should apply to the balance, beyond the Republic of Ireland, before any decision is taken to provide such facilities to Portugal and/or Spain, and/or any other country for that matter, should fall within clause 6. Let me remind the Committee that clause 6 says:

"A Minister of the Crown may not vote in favour of or otherwise support a decision to which this subsection applies"—

I have a special definition of "decision" for this purpose, in case the Minister wants to make a point about that later—

"unless...the draft decision is approved by Act of Parliament, and...the referendum condition is met."

There are substantial questions, and if the British people knew about this they would demand a referendum at least. It might be that an Act of Parliament is required in most unusual circumstances to rectify this situation, but all that is without prejudice to my general concern about the manner in which this has happened, the unlawfulness of the deal in the first place and the extent to which various Chancellors entered into the agreement. I understand how it could have happened; let us be sensible and practical. It was in the middle of the setting up of a coalition and huge discussions were going on in which the Chancellor—indeed the two Chancellors—must have been totally saturated in discussion. I can see how this could be slipped through. The Chancellor flew over to ECOFIN and made a decision; I do not want to criticise him, but his eye might not have been as firmly on the ball as one might normally expect.

On Second Reading of the Loans to Ireland Bill, I asked the previous Chancellor, the right hon. Member for Edinburgh South West the following:

"Did the right hon. Gentleman take legal advice on whether, as I said at the time, the use of the financial stability mechanism was an unlawful deal? Article 122 of the treaty on the functioning of the European Union deals with natural disasters, energy supplies and so on, and it has absolutely nothing to do with financial mistakes or misjudgments. Really, the whole thing should never have gone through, and he should have repudiated it on those grounds."

He replied:

"Yes, but as I said earlier, because of QMV, the deal would have gone through anyway."

I do not think that issue alters the question of legality, because if the legal base is wrong, the QMV falls. The previous Chancellor went on:

"I also do not agree with the hon. Gentleman's analysis or"—

this is interesting—

"that the legal position was that clear-cut."—[*Official Report*, 15 December 2010; Vol. 520, c. 955.]

I found that response interesting, because he knew there had been serious doubts about legality and he did not say that he took legal advice. Nor did he say whether any legal advice that was given—if any was given—assured him that what was decided was right. There is a powerful reason for this whole matter to be looked at properly. Our Committee has looked at it and we think that any other Committee that thinks it desirable to do the same should do so.

It is important to include this matter in the Bill by a vote today—both as a matter of principle and because it might otherwise look as though the Government seek somehow to cover it up. That would be disastrous for them, because this involves many billions of pounds of taxpayers' money in a time of austerity and difficulty, so it has to be sorted out. The matter has yet to go before the European Committee that I have mentioned on 1 February. No doubt the Minister and his colleagues are hoping that the scrutiny issue will have gone by then, that there will probably be no vote in the Committee and that the scrutiny reserve will be taken off. They may think they will get off scot-free, but I am afraid that my intervention in this debate might throw a spanner in the works, because the Committee now has notice of the points I have made. I hope I have made them in a temperate way with regard to the difficulties and decisions of the Chancellors in question. I do not want to engage in a witch hunt or to be unnecessarily difficult. It is a matter of accountability and of scrutiny. It is a matter of the Government coming clean about the whole situation, and of making certain that we deal with it properly.

I believe that it is down to the Government to go to the European Court by way of the equivalent of what we call an action for a declaration. Sometimes in the courts, when a difficult legal problem arises, one does not wait for someone else to act. One goes to the court for the equivalent of an action for a declaration. The Government could start the process in our own courts and put the question whether what was done was within the vires of article 122 or not. I do not believe it is, but it is incumbent on the Government to do that. In the meantime, for reasons other than the question of legality, I believe the issue is of such importance that it ought to be subjected to the provisions of clause 6, and should therefore be made subject to both an Act of Parliament and a referendum in these special circumstances.

Mr Clappison: It is a pleasure to follow my hon. Friend the Member for Stone (Mr Cash), who made an important contribution. Having had the opportunity to hear the argument that fleshed out the bare bones of the amendment, I believe it requires a detailed response from the Government when the time comes.

My hon. Friend's amendment is a good illustration of a point that has been apparent throughout the consideration of the Bill. Although the Bill is worth while, covers events that may or may not arise in the future, and is a great step forward, we must not lose sight of the things that could take place in the meantime which would amount to a transfer of power from this country and this Chamber to the European Union, undermining our self-government.

The example that my hon. Friend gave the Committee this evening is a good example of that because, as I understand it, it does not involve a transfer of competence. The competences of the European Union, as we know, are very wide already. There is a long list of them in the treaty of Lisbon. My hon. Friend referred particularly to article 122, which is in the treaty of Lisbon. It is an example of an important decision which has an effect on the exercise of power in this country and on our economic policy, and which takes place under the existing treaty.

I hope that when my right hon. Friend the Minister for Europe sums up, he will explain how the eventuality that my hon. Friend the Member for Stone described would be covered by the Bill, and what his view is on article 122, which seems to be another example of the way in which the competences of the European Union and the existing provisions can be stretched considerably to encompass decisions and policies that seem to be very far from the original intention of the clause on initial reading.

My hon. Friend the Member for Witham (Priti Patel) made some important points in her amendment 81 about nautical policy.

I shall speak to my amendment 13, before turning to amendments 36, 37 and 38 tabled by my hon. Friend the Member for Daventry (Chris Heaton-Harris), which cover some of the ground I hope to cover in another group of amendments on the same subject, but on a different clause. He for Rhondda (Chris Bryant) said that amendment 13 was misguided. He is no longer in his place, so I do not want to say too much about him, but I do not think he had entirely grasped what I was trying to achieve with my amendment.

I had not planned to press amendment 13 to a Division, but I would like to hear the Government's response to it, particularly on this point: my amendment seeks to deal with enhanced co-operation which, as was suggested earlier, is an important step indicating that member states engaging in enhanced co-operation are moving on to a higher level of integration than other member states of the European Union, are adopting qualified majority voting in place of unanimity, and are going ahead of the other states. I should have thought that that was something that we wanted to cover by way of an Act of Parliament and a referendum, if there was a proper list of events that should be covered.

Would all examples of enhanced co-operation that could take place within the terms of the treaty of Lisbon be covered by the Bill? I know that some of them are, but can my right hon. Friend give me an assurance that if there is a move to enhanced co-operation, it will be covered by the provisions of the clause? I hope he will deal with that later.

Amendments 36, 37 and 38 are extremely important. I respect the way in which my hon. Friend the Member for Stone spoke to them. I am in full sympathy with the points that he made and with what he is trying to achieve. He has taken three examples from the chapter on freedom, security and justice under title V of the treaty of Lisbon. As he knows, there is a whole chapter that contains similar provisions from which other important elements could be taken. To be fair to my hon. Friend, he has been diligent and chosen three important examples, but there are other equally important examples in a long chapter on freedom, security and justice in the treaty of Lisbon.

My hon. Friend made the case for his amendments, and I have no problem with that. He has selected items from the field of family law, minimum rules of criminal procedure to which new directives may relate, and identification of further areas of crime to which directives adopted under the ordinary legislative procedure may relate. Inserting these in clause 6 would require them to be approved by a referendum and an Act of Parliament.

I am interested in the whole field of freedom, security and justice, which used to be called the justice and home affairs pillar, and all the matters contained within that, from which, as hon. Members know, this country currently enjoys an opt-out. I hope that the case I am trying to make will be without prejudice to the later arguments I hope to make on a different clause that these items be dealt with by way of a vote in the House each time an opt-in takes place. In this clause we are debating whether in each case they should be subject to an Act of Parliament and a referendum. Some of the matters covered are so serious that that would be justified.

It is worth while looking at the history of the provisions. We have had reference to the single market. At the time of the single market, these matters were dealt with by informal meetings of Home Affairs Ministers of member states. Things were put on a more formal footing by the treaty of Maastricht, under which these matters were included in what was called the third pillar, in order to keep them separate from the other provisions of the treaty of Maastricht, which dealt with the single market on a quite different basis.

Under the treaty of Amsterdam, which was passed in 1997, three or four years after the treaty of Maastricht, that pillar began to be dismantled, and the European Union moved these matters from the third pillar to the first pillar, where they were subject to a separate regime, a different system of voting and the jurisdiction of the European Court of Justice. That was a very significant step indeed. It continued until the pillar collapsed as a result of the treaty of Lisbon, under which the area of justice and home affairs was renamed freedom, security and justice.

The important point for the House and the United Kingdom is that we enjoy an opt-out from the freedom, security and justice provisions, as we have always done. That was important to this country. The then Labour Government argued at the time that the constitutional treaty differed from the treaty of Lisbon. Because we enjoy the benefit of the opt-out, we have to take a decision whether to opt in when particular measures arise. It is rather different from what happens when directives or other legislative proposals relating to other part of the treaties come before Ministers because we have an opt-out, which means that we do not need to vote, take part or do anything. We enjoy that opt-out unless we choose to opt in.

7 pm

Martin Horwood (Cheltenham) (LD): I just want to clarify the practicality of the hon. Gentleman's suggestion. He mentioned minimum judicial procedural rights as one of the home affairs subjects that relate to this. We opted in to that because it is important, for instance, for British citizens arrested abroad to be protected. Is he seriously suggesting that if that issue came up in future he would want it to trigger a referendum, even though it is within the existing competence that we have already conceded to the European level of government?

Mr Clappison: The hon. Gentleman is furrowing his brow, so perhaps I can help him. We have heard it argued so many times that because a measure has merit we should opt in to it, whether it relates to victims, tackling crime, or this, that and the other. He must come clean and see it, as I have been arguing, as all of a piece, because it is part of a programme of the European Union. It is set out in the treaty of Lisbon as one of the objectives of the EU, and the European Commission is forever coming forward with proposals. It has a whole programme for creating what it describes as an EU area of freedom, security and justice. On the example of judicial procedural rights, the issue is where we determine which judicial procedures should apply in what country. Do we decide that our judicial and criminal procedures should be determined here in this House, or do we hand it to the EU so that it is decided on qualified majority voting and subject to the European Court of Justice?

We have heard those arguments many times. I draw the hon. Gentleman's attention to the fact that this is part of a programme from the EU, and it was set out in the EU's 2011 work programme as one of its five main political priorities. President Barroso set that out in his state of the Union address to the European Parliament on 7 Sept 2010. The third main priority, after dealing with economic matters, was building an area of freedom, security and justice. We must take it as a whole, rather than picking compartmentalised issues one by one and looking at them judiciously because doing so might make an improvement here or there. It is part of an overall programme for building a European area of freedom, security and justice.

Martin Horwood: I appreciate that the hon. Gentleman is making a point of principle and that what he has described adds up to a general direction of travel that he is legitimately concerned about. However, I would ask him to consider the practicality of it. If we have an uncontentious and pretty technical issue that is relatively minor in the great scheme of things and that no one particularly objects to it, such as the minimum judicial procedural rights that are intended to protect British citizens abroad, would he really want that to trigger a referendum or, as is more likely because of the fear of a referendum being lost, for it simply not to happen?

Mr Clappison: I am afraid that the hon. Gentleman is again quite wrong. None of the items being put forward by the EU are being put forward because they are minor, technical changes that will make little difference; they are being put forward precisely because the EU believes they will make a difference and will help to build a European area of freedom, security and justice.

So much of this is bogus. Much has been said about what will happen in different countries and about the cross-border dimension, but the decisions will affect every single criminal and civil case that takes place in this country in so far as we have adopted the European directive in question. The EU is trying to introduce its jurisdiction in civil and criminal matters in this country into the whole of our legal system on the basis of what might happen in cross-border cases. I think that individual members states should decide on their criminal and civil legal systems for themselves, as that is a characteristic of a member state and part of its nature. If the hon.

[Mr Clappison]

Gentleman has so little confidence in what takes place in other member states, he could start by relying on the fact that we are all signatories to the European convention on human rights, as are a number of other countries.

Martin Horwood: The hon. Gentleman is being generous with his time. My point is not really about the point of principle that he is labouring. He should imagine a hypothetical situation that would apply in this case, in which a matter is important but not massively so in the great scheme of European government and the whole European project and is something that everyone agrees should happen and that is uncontentious. In such a situation in which even he supported the practical step, would he really want to put the UK to the vast expense of a referendum on something that everyone supported?

Mr Clappison: It is difficult in the field of civil and criminal procedure to disconnect one step from another. The European Court of Justice, whose jurisdiction will be opened up, can always come along and make a decision that goes far beyond what was originally envisaged. We must look at the whole system of civil and criminal justice, including whether decisions are taken in this House, or whether we abnegate self-government and hand those decisions over to the EU.

The hon. Gentleman can make his case, but I am concerned about the scrutiny and decision making that take place each time we take one of these decisions. He referred to technical matters, but in the course of this short Parliament we have already had two very important directives in the field of freedom, security and justice: the European investigation order and the draft directive on the right to information. I do not know whether he or his colleagues took part in the debate we had in the European Committee, but it was accepted on both sides—it was put forward by the Secretary of State for Justice—that it was an important step in itself. I am not sure what his party's participation in that was, but that was the basis of the decision. That process took place under the existing scrutiny of this House.

The European Commission has an ambitious programme for the year ahead, and the Minister has conceded that there are 30 or 40 more such measures coming along from the EU. In Mr Barroso's work programme, "Pursuing the citizens' agenda: freedom, security and justice", the first three items listed are: a legal instrument on European contract law; a regulation on improving efficiency and enforcements on judgments in the European Union; and a directive on the rights of and support for victims of crime. With respect to the hon. Gentleman, I do not think any of those could be described as minor or technical.

Mr Cash: My hon. Friend is not only an expert on this matter, but knows what he is talking about. The reality is that every time one of those decisions is taken—I say this with great respect to the hon. Member for Cheltenham (Martin Horwood), when he starts talking about comparative advantage—it relates to people and justice. It is about whether they get a fair trial and matters of that kind, which are matters that his constituents would be concerned about. It is terribly important to remember that one paragraph of one of these directives, or even one line, is equivalent to an entire Act of Parliament that we might spend the best part of six months discussing in both Houses. Does my hon. Friend agree that under the proposals such matters will just go whistling through?

Mr Clappison: The hon. Member for Cheltenham (Martin Horwood), whose opinions differ from mine, has made his case very honourably, and it is one that might attract many people outside this House. I have to ask whether he is happy with the ways in which those matters are currently dealt with before this House. The amendment tabled by my hon. Friend the Member for Stone seeks to make those matters subject to an Act of Parliament and a referendum. My own humble amendment, which we will come to later—I hope that this debate will not prejudice its consideration—would make matters within the area of freedom, security and justice subject to approval by a vote of this House, which I hope is not too radical a step to propose.

On any view of it, these are matters that will come before the House, whether as my hon. Friend describes, or, as I shall try to argue later, as a minimum, in the way I am seeking. The hon. Gentleman must look at the system that we have in place for scrutiny of these matters as they come before the House. When they come before the House, as in the case of the investigation order and the right to information order, which we have already had, it is very hard for the House to express its view on those important issues.

My right hon. Friend the Minister has brought forward some proposals and made a statement last week on how to improve scrutiny of opt-ins to the area of freedom, justice and security. If I may pay my right hon. Friends the Minister and the Foreign Secretary a compliment, I should say that they have made a real step forward with their proposals, but we need to find out just how far that step forward is going to go.

The following questions are relevant to amendments 36, 37 and 38, because they cover the same area. In each case, when the opt-in to certain European areas such as freedom and security is exercised, a decision will be taken whether the United Kingdom is going to opt into specific measures that the European Union has brought forward. There have been half a dozen already, and there are another 30 or 40 down the track, but, under my right hon. Friend the Minister's scrutiny proposals, will the House have an opportunity to vote on each occasion? That is very important.

How will the scrutiny override proposals work? I hope the hon. Member for Cheltenham agrees on this point, because he would want to make his case about what a good idea such measures were, and what benefits they would bring. I should want to make my case that such measures should be decided in the House, but we could each make our case and have a vote in the traditional way. I should hope that that was not too dramatic a step for any hon. Member.

I am concerned about what my right hon. Friend the Minister said about scrutiny override in his statement. That is one aspect on which we could improve, because he said:

> "As currently, the Government will not override the scrutiny process unless an earlier opt-in decision is essential. Where the Government consider an early opt-in to be necessary, it will explain its reasons to Parliament through the statement set out above. In these circumstances, it would usually be appropriate for the statement to be made orally."—[*Official Report*, 20 January 2011; Vol. 521, c. 52WS.]

I am not sure that we should put the administrative matters that lie behind the decision, the timetable of the European Union and whatever interminable administrative processes have to be gone through in the Foreign Office before the House's approval. It really does not put us in a very good place—behind what are termed "essential" decisions. The House should have an opportunity to express its view on the decision first, so I invite my right hon. Friend to go away and think about that. It is all very well having a statement after a decision has been taken, but the House would like the opportunity to express its view through a vote before such a decision is taken.

I have taken part in European Scrutiny Committee debates, and decisions have been taken, the Government have agreed to legislative measures and then we have had the debate in a European Committee. We do not have any opportunity to inform the Minister's thinking or to debate the matter before the decision is taken, let alone to take a vote on it. Under the current procedures of the House, we cannot do so; it is very difficult to have a substantive vote on security matters. The most that the European Scrutiny Committee can do is to hold a matter in reserve until it has been debated in a European Committee, but neither those nor debates on the Floor of the House provide for a vote to approve or disapprove of particular legislation.

Martin Horwood *rose—*

Mr Clappison: I give way to the hon. Gentleman, who has been very reasonable on these matters.

Martin Horwood: I return the compliment. The hon. Gentleman is spending a lot of time talking about the existing scrutiny process in this place and the importance of having a substantive vote. There is a real debate to be had about that, and I am certainly in favour of proper parliamentary scrutiny, but as I read the substance of his amendments I find that their potential impact is to trigger a referendum. That is of a wholly different order of cost and complexity, and it is likely to discourage the very act that we are discussing. In fact, his proposals would probably stop any measure coming before the House for a vote at all, because it would be deemed impractical to go through a referendum.

Mr Clappison: The hon. Gentleman makes a fair point, and my hon. Friend the Member for Daventry, who made an extremely good case, will have heard what he said and decide whether to press his amendment to a vote. I take it from what the hon. Gentleman says about proper parliamentary scrutiny that that would include approval for a vote in the case of opt-in, however, because it is no use having just scrutiny, talk and the expression of opinions; we need to have a vote each time an opt-in takes place. I am open to correction from him through another intervention, but I take great heart from what I think he says about regarding a vote on an opt-in as a part of scrutiny, because there is not much point in scrutiny unless we can vote. I think that he agrees, so that is a great step forward. He made some very good points—fair points—about referendums, and I ask my right hon. Friend the Minister to reflect on those matters, because they are important decisions.

7.15 pm

In the manifesto on which I stood at the general election, I promised, as did the rest of my party, to seek to repatriate powers from the European Union. I always thought it would be quite a big ask, but I was going to try to do it. Given the circumstances that have arisen with the coalition, however, the measure in the Bill is in the coalition agreement, and I completely understand the reasons behind that, the need to seek compromise with the Liberal Democrats' entirely honourable position and to examine each opt-in on a case-by-case basis.

I hope that, first, we consider the case for staying out and retaining the benefits of the opt-out, because that is the best possible solution. If a decision is taken to opt-in, however, I hope also that proper parliamentary scrutiny and a vote are possible on each occasion. Personally, I probably would go as far as my hon. Friend the Member for Stone has gone in some of his proposals, but I hear the comments that have been made about them. We really need to take the matters before us seriously, however, given the scrutiny that my hon. Friend the Member for Daventry has undertaken through his amendments, because the decisions are profound ones.

Do we wish to have our criminal justice and civil justice system—our legal system—determined in this House, or do we want to hand it over to the European Union, the European Commission, the European institutions and the European Court of Justice for them to rule on?

Austin Mitchell: I rise to speak for two reasons. First, I do not want all the speeches from Opposition Members to be an unremitting chorus of euro-enthusiasm. My hon. Friend the Member for Luton North (Kelvin Hopkins) and I are stalwart opponents, and I do not want the chorus from the Opposition Benches to be like the slaves chorus from "Nabucco", singing the praises of the instrument of our own punishment—the European Union. Secondly, I support some of the amendments—81, 8 and 79 in particular.

I am very supportive of amendment 81, which was tabled by Members representing two glorious ports—I did not know they were fishing ports—in Essex, because it involves an important principle. There are constant attempts to remove our national limits, which were agreed when we entered the common fisheries policy in 1972. A few months before we began our entry negotiations, the policy was stitched together to get European hands on our fish, but we managed to preserve some national limits: the 6 nautical miles around most of the English coast, and the 12 nautical miles around north Britain and Scotland. We police the waters up to the median line, or 50 miles.

When I went out on a fisheries protection vessel, I was distressed to find that when the crew detected European vessels over-fishing, they did not have the right of hot pursuit, so all the European vessel had to do was to beetle across the median line and it was safe. My suggestion that the protection vessel should shell and sink the European vessel was taken as an unfriendly act towards Europe and, for some reason, discounted, but it is important to preserve our waters.

My concern arises from the recent Hugh Fearnley-Whittingstall programmes, which provided a very good service by highlighting the problem of discards. They

[Austin Mitchell]

are inherent among fish allocated by catch quotas. Indeed, if one allocates fish by catch quotas in mixed fisheries, one is always going to get discards. The discards increase as the quotas go down, because fishermen are bound to catch fish that are not in their current quota.

Indeed, I wrote to Fearnley-Whittingstall, suggesting that it would be a brilliant idea to establish a very expensive restaurant on a cruise ship that went round picking up Grimsby fishing vessel discards and cooking them for an exclusive clientele at enormously high prices. He does not seem to have implemented it yet, but it is a viable idea. It is very difficult to stop discards when there is equal access to a common resource, but that is the basis of the common fisheries policy to which Ted Heath unfortunately agreed in 1972 as the price of entry into the EU. He was so desperate to go in that he accepted that condition.

We certainly have to work to control our waters, as amendment 82 suggests, and to stop or reduce discards. There are various ways to do that. I am hoping that Fearnley-Whittingstall will come along to the all-party parliamentary fisheries group to tell us his ideas. I will not tell the Committee mine, because I would go off the subject.

Kelvin Hopkins: As my hon. Friend knows, I agree entirely with everything he is saying. Does he agree that we could operate British waters in the way that Norway operates its waters? It controls its own fishing grounds, every fishing boat is monitored, there are no discards and there is no over-fishing. It protects its fish in a proper way. That can be done only if countries husband their own resources in their own fisheries. That is the only way forward.

Austin Mitchell: My hon. Friend is absolutely right, as usual. The key is the ability of a nation to control its own waters up to the 200-nautical-mile limit, which it would have been sensible to retain, and which we could have retained had we negotiated harder in 1972, but we did not. Only a nation can conserve its own national resource—what is handed on to the next generations of fishermen. The Heath Government made a tragic decision from the point of view of the fishing industry. I want to reverse that, and we should work to do so. I still want to pull out of the common fisheries policy. Perhaps it would require a few gunboats around the coast to establish that.

Martin Horwood: I understand the hon. Gentleman's point, but does he not fear that if we returned fisheries entirely to national competence, not every nation would be quite as observant of their own rules as the Norwegians, and there might be a free-for-all that would fatally damage the British fishing industry?

Austin Mitchell: That, of course, is nonsense, because nations that have taken control of their own waters and their own 200-nautical-mile limit, such as Iceland, have operated very good and effective conservation policies. It is only nations that have to admit other nations into their waters, under force of European law, that cannot do that.

Kelvin Hopkins: I support my hon. Friend, yet again. Clearly, it is simple to monitor what is landed in one's own country, but impossible to monitor what is landed in another country. If we had our own fishing waters with our own fishing vessels—

Martin Horwood: Spanish fleets.

Kelvin Hopkins: Spanish fleets would not fish in our waters, because the idea is that countries would fish in their own waters. I cannot see the problem and I agree with my hon. Friend.

Austin Mitchell: My hon. Friend is absolutely right. The Liberal Democrats are slavish in their idealism of Europe at any price, and will abdicate any British interest to express their devotion to the nefarious construction called the European Union.

Martin Horwood *rose—*

Austin Mitchell: If the hon. Gentleman wants to express more devotion to the farce of the European Union, he is welcome to do so.

Martin Horwood: I am just intrigued about precisely what method the hon. Gentleman would use to defend our waters. The Icelanders use gunboats. Is he advocating gunboat diplomacy from the Labour Benches?

Austin Mitchell: Frankly, yes. However, I am sure that the hon. Gentleman is not so distrustful of our European partners and friends that he believes that if we took legal control of our waters, they would come in and try to steal our fish. Is that his estimation of their character? Is he telling us that there are nations of thieves that would come in and steal our fish if we took our own waters, as is our right? Is that what he is saying? Apparently not.

Amendment 81 expresses an important principle that we need to express and defend constantly. The amendment is a way of defending that principle, so I shall certainly vote for it if it is put to the vote.

I shall move on to amendments 8 and 79. I congratulate the hon. Member for Stone (Mr Cash) in drawing the attention of the Committee to this situation, because it is extremely dangerous from a British point of view. He said essentially that we will be liable, under article 122 of the treaty on the functioning of the European Union, for difficulties produced by the failure of the euro, and that we will have to make a contribution. That will be decided on by qualified majority voting. If correct, that is an appalling situation. It is important for the Government to tell us tonight whether it is correct.

In my view, one of the greatest achievements of the previous Prime Minister was that he kept us out of the euro when he was Chancellor, against the overwhelming enthusiasm of the then Prime Minister, who saw joining the euro as a romantic gesture of support for Europe—almost an emotional spasm of support for Europe—against the wishes of the majority of the Cabinet, and against the pressure of the Liberal party, which has always been slavishly devoted to any European instrument, however damaging the consequences.

Martin Horwood *indicated dissent.*

Austin Mitchell: During the debate on the exchange rate mechanism, I remember the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) leading a huge Liberal crowd up and down Whitehall chanting, "Move to the narrower bands now! Move to the narrower bands now!" That was the Liberal party's contribution to that great debate. It is slavishly attached to European gestures such as the euro, as was our former Prime Minister. The previous Prime Minister, when Chancellor, kept us out. That was a great achievement. He kept us out and warned that the regime was unstable.

There cannot be a common currency without a common Government to back it and redistribute money to the regions that are damaged by the common currency and the higher interest rates imposed by it. The basic problem is that the euro cannot work, because it brings together regimes under one currency that vary enormously in their productivity and power. The southern economies are not only weaker, but insolvent to boot and certainly uncompetitive. Those uncompetitive economies cannot be united in a currency with the powerful German economy, which is extremely competitive. Inflation is kept very low in Germany by investment, the restructuring of the economy and the agreement with the unions to keep wages down. It is impossible for economies such as Greece, Spain, Portugal and Ireland to remain competitive in that situation. To be competitive, they face a constant diet of cuts and attempts to get their inflation rates down to the German level. That is difficult and it has to go on for years. By joining the euro, those countries effectively said that they would deflate their economies, punish their people and face riots in the streets for 20 or 30 years in a desperate attempt—which will not work—to get their levels of competitiveness down to the same as Germany's. That situation does not work.

Kelvin Hopkins: I agree entirely with my hon. Friend again. It is interesting that there has been friction recently between France and Germany because France wants to integrate the whole European economy more deeply and Germany is holding back. Germany can see that it will constantly have to shell out euros—or disguised Deutschmarks—to help the poorer countries in Europe, and it does not want to do that because it would become the paymaster of the whole of the European Union in perpetuity.

Austin Mitchell: That is true. Under the old system, the inflation rates in France and Italy were higher than that in Germany, so they were constantly getting out of kilter and becoming uncompetitive. They constantly resorted to devaluing, which brought them back to a competitive level because it reduced their costs of production in terms of foreign currencies. There is a history of France and Italy devaluing. They cannot do that when they are in the euro.

Mr Cash: Would the hon. Gentleman be interested to know that the Library has given me some figures showing that our balance of payments deficit with Germany was £12 billion in 2009? Heaven alone knows what it is now. Between 1999 and 2009 there was a deficit of £5 billion between the other 26 EU member states and ourselves, but we have a surplus of £11 billion with the rest of the world. His point is extremely sound—the EU is just not working.

7.30 pm

Austin Mitchell: I am grateful for that point, which is absolutely true. We are earning a surplus in the rest of the world, which then goes as a tribute to finance our deficit in Europe. Before we entered the Common Market in 1972, we had a surplus in our trade with Europe. It then became a deficit, which has become ever heavier as the years have gone on because of our economy's uncompetitive nature compared with the German economy. All the other weaker European economies face the same problem, and there is no way for them to get around it without facing a diet of cuts, freezes and squeezes for decades, and having to depress the living standards of their own people to keep costs down. That strain is built into the system, which Germany dominates and swamps because of its competitiveness and low inflation. Good luck to it—it has worked for that and run its economy in a very sensible fashion, but a common currency cannot be maintained in that situation. There will therefore be crises.

Those inevitable crises have, under article 122 of the Lisbon treaty, now been portrayed as the results of a natural disaster. That means that we, who have wisely stayed out of the scheme and warned of the consequences of going ahead with that insane regime, must also contribute to cost of clearing up the mess that is implicit in the system. That is a monstrous imposition.

I take it that at his last Council of Ministers meeting on 9 May, our previous Chancellor was conned. He was told that article 122 would apply under qualified majority voting, so it was no use his opposing it because we would be bound by it in any case. That was just not true, because if it applies to mutual support in the event of natural disasters, it cannot apply to faults inherent in the structure of the euro itself. That is not a natural disaster; it is a folly of man.

Mr Cash: I add a point that I really ought to have made in my own contribution. When the European Council arrived at the new mechanism that it has just set up, which the Prime Minister announced the other day, it used the most extraordinary language. It used the expression that there was "no need" for the continuation of the mechanism that was set up last May. It is not anything to do with need, however; it is about the fact that they know perfectly well that it was unlawful.

Austin Mitchell: Absolutely right. We need to be intellectually devious in trying to read through European documents, because they are extremely cunningly written and always cover up the reality very well. The same is true of Government statements on matters European. The Government do not want the full horror to emerge, so statements are rewritten to make them safe, saleable and acceptable. Once again, the hon. Gentleman is correct, and he has done the Committee a great service today in warning us of the situation and pointing out the consequences if it is prolonged. I believe that the arrangement extends to March 2013, or is it May?

Mr Cash: March.

Austin Mitchell: Right, and then it will lapse. Until then, we could be liable for enormous sums. Imagine what the British electorate would say. We have already extended a massive loan to Ireland, even though the

[Austin Mitchell]

Chancellor tells us that our country is over-borrowed and cannot borrow any more because world markets will cancel our credit cards and stop our credit on the bond markets. Suddenly, however, he can borrow huge sums—billions—to help Ireland. He says that it is a one-off and not a precedent, but if it is carried out under article 122 of the Lisbon treaty, it is a precedent for acceptance of a mechanism that is designed to deal with natural disasters.

The hon. Member for Stone hoped that the mechanism would be ruled illegal by the European Court, but I have given up faith in the European Court. It never rules how I want it to rule, whereas our courts do sometimes. It is probably composed of Liberal Democrat jurists, for all I know. It certainly gives that appearance.

Kelvin Hopkins: Again, I agree entirely with my hon. Friend. The ECJ has shown itself to be a political organ, not a legal one, by taking the side of employers in the Viking Line dispute and other cases. It is a court of the business class and of big business, not a court for ordinary people.

Austin Mitchell: That is true. It gives any verdict one wants, provided that it supports and advances the EU. That is the nature of the European Court, so should we ask that body to rule on the legality of treating article 122 as an all-purpose rescue operation to which we have to contribute?

The Minister smiles—indulgently, I hope. I hope that he will explain the Government's view on the matter, because to my mind it is crucial that amendments 8 and 79 are accepted. I am glad to hear that the hon. Member for Stone will force a vote, because they are key amendments. We need to be sure that the British electorate will not be faced with a series of massive loans, such as the Irish loan, to support Portugal, for instance, or Spain if things go belly-up there. That is quite possible, and the costs there would be huge because Spain has a much bigger population than Ireland, Greece or Portugal. Why should an electorate who are facing a blitzkrieg of massive cuts and tax increases welcome with joy a decision to fork out more billions to help people whom we warned that they were entering into a disastrous situation by taking on the euro? That would be totally unacceptable, and the Government would be laughed out of court.

Jim Shannon (Strangford) (DUP): The hon. Gentleman will be aware that people from the UK are very generous people, and that they always like to help, but they do not have bottomless pockets and cannot keep on bailing out every country in the EU. Does he agree that a line has to be drawn in the sand somewhere, so that lending to other countries and subsidising them stops?

Austin Mitchell: I agree absolutely, and that line in the sand is here. Actually, it has to be a line in the concrete, because we cannot go on making contributions under article 122, which is meant for another purpose entirely.

Ben Gummer: Notwithstanding our treaty obligations, it seems to me that the hon. Gentleman is getting hung up on article 122. Is he really arguing that even if it were in our economic interest to support the bail-out of a country whose trade with us means that intervention is necessary, he would still oppose it?

Austin Mitchell: I have not actually said that, have I? I have said that the Chancellor treated the Irish case as a one-off, but it is not. It opens the door to giving aid to other countries that have put themselves in the same situation through a foolish adherence to a euro that is fated to collapse. I make no judgment about the Irish case, although it is a big bill to pay for a country that the Chancellor tells us is over-borrowed and has no credit on the world market. Why should that country start raising huge loads more money to pay other countries because of the failures of the euro?

Stephen Gilbert: I take the hon. Gentleman's point, but can he imagine a situation in which rather than being a giver, the UK is the receiver of aid under that arrangement? Is he really saying that rather than get the aid that our financial sector might hypothetically need in a quick and timely way, he would want a referendum lock to apply?

Austin Mitchell: I am afraid that that is ridiculous. I was leaping with joy when the hon. Gentleman, a Liberal Democrat, said he was taking a point that I had made. I thought that sense had at last dawned, but alas it turned out to be only stupidity. Nobody is suggesting that the UK would want Europe to be liable if our system failed. The crucial point is that we did not enter the euro. Having not entered it, we should be immune from the consequences imposed on those who did. That is all I am saying. I do not want European aid. The wisdom of former Chancellors in keeping us out of the euro allows us to adjust our exchange rate. Other nations have problems because they cannot do that. We have had a 25% devaluation, and the pound could—and should, in my view—go lower. That reduces the cost of our currency and makes us competitive once again. That is our adjustment. We do not need help or aid because we have the flexibility of being outside the euro. Does the hon. Gentleman want this economic education class to continue or will he keep quiet?

Stephen Gilbert: Is the hon. Gentleman really saying that we are both outside the euro and outside the effects of the euro? Is he saying that Portugal, Ireland, Italy or any country that needs European financial help in future can be allowed to collapse, and that that will have no effect whatever here in the UK?

Austin Mitchell: Oh it is difficult talking to Liberal Democrats! I did not actually say that we would be outside the effects of the euro. In fact, the foolish deflation that is going on all over Europe damages us, because half of our trade is with Europe and we want our exports to Europe to increase. With our ability to devalue, we have the ability to increase our exports, and they are increasing for the first time in many years—thanks to devaluation. I want markets in Europe to be healthy, but I do not want the British taxpayer to be asked to support Europe in its folly.

Kelvin Hopkins: I want to reinforce what my hon. Friend is saying. We have a massive trade deficit with the rest of the EU. Even if in some mad world we decided to have a trade block, that would be beneficial. We would have more money to spend on our own things and to generate our own economy, and more money to spend elsewhere in the world. The idea that we benefit massively in trade from the EU is complete nonsense. It benefits massively from having us next door.

Austin Mitchell: That is true—and then the EU forces us to eat its overpriced agricultural products. The EU gets it all ways. It steals about £3 billion-worth of our fish every year through the common fisheries policy, and costs us about £18 billion on the common agricultural policy, and then expects us to buy its overpriced exports.

Martin Horwood: Is the hon. Gentleman aware that Iceland has just unilaterally increased its mackerel quotas, which if anything—I would not use the word "stealing"—is potentially damaging to Scottish fish stocks? That is quite a major diplomatic issue at the moment and it has occurred under precisely the regime that he is recommending.

The Temporary Chairman (Mr Graham Brady): Order. May I suggest that we are ranging a little wide? Ranging as far as discussing Iceland might be out of order.

Austin Mitchell: You are absolutely right, Mr Brady. By raising mackerel, the Liberal Democrats were seeking to bring a lot of red herrings dancing into my view. I hold no brief for the Scots who want the Icelanders to stop catching mackerel. They have a perfect right to do so. It is daft to talk about cutting quotas of imports for Icelandic fish, which we need, to punish Iceland for mackerel fishing.

That Liberal Democrat red herring has robbed and wasted the Committee's time and delayed my final peroration. The final word from me is this. The situation can be remedied by the amendments tabled by the hon. Member for Stone, particularly amendments 8 and 79. It should be remedied, because it is potentially disastrous to accept that article 122 of the Lisbon treaty can be applied to extract support from the UK for the failures of the euro, when we are not members of the euro. I hope that the Government clarify that position, and that the amendments are made.

7.45 pm

Stephen Gilbert: It is a pleasure to have the opportunity to contribute to this debate. Anybody watching us must think that they have fallen through the looking glass. We are debating amendments to a Bill that prevents further transfer of power from the UK to the European level of government, in the context of a coalition that has said that it will allow no further significant transfers of power in the duration of its office, and yet Conservative and Labour Members are attacking the Bill while Liberal Democrat Members try to defend it.

Mr Cash: I cannot resist intervening. The hon. Gentleman knows perfectly well that the Minister for Europe has said that there is no chance or intention of holding a referendum under the proposals in this Bill until the next Parliament at the earliest—we are in dead parrot territory. The Minister will not deny that. The debate is about what is happening right now. Europe is in total chaos. Every country bar Germany is imploding, but the hon. Gentleman is carrying on as if everything is fine.

Stephen Gilbert: I feel like I am entering into my own version of "Back to the Future" in debating the EU with the hon. Gentleman. The Government's position is quite clear. There will be no referendum over the next five years because there will be no significant transfer of power or competences. The Liberal Democrats welcome that, and I would have thought that he would too.

Mr David *rose—*

Stephen Gilbert: I am more than happy to give way to the Opposition spokesman.

Mr David: To add to the thesis of the hon. Member for Stone (Mr Cash), given that the Labour party is not in favour of any further EU treaty changes and that we cannot bind a future Parliament, what is the point of the Bill?

Stephen Gilbert: In fact, what we know from yesterday's debate in this Committee is that the Labour party, given the bizarre system it proposed in its defeated amendments, is in favour of giving the House of Lords a veto on whether the British Parliament chooses to put a referendum to the British people.

Thomas Docherty (Dunfermline and West Fife) (Lab): Did I hear the hon. Gentleman correctly? Did he say a moment ago that there will be no further significant transfer of power to Brussels? Will he outline which not very significant powers will be transferred during this Parliament?

Stephen Gilbert: The Bill is absolutely clear on that. A number of criteria have to be met and a number of hurdles must be jumped. We debated the significance test yesterday—the hon. Gentleman was in the Chamber and would have carefully listened to the debate—but let me give him an example. At the moment, in the objectives of the EU as I understand them, there is no requirement to combat climate change. Of course, the EU is rightly and properly taking action on environmental issues, but the simple codification of that into one of the objectives of the EU would be quite a minor change, and one that we would all welcome and accept as necessary and important.

Mr Cash: Almost everything the hon. Gentleman says demonstrates the complete divergence of views between many Conservatives and many Liberal Democrats. Does he accept that a key problem facing the coalition Government is not only the integral federal views of the Liberal Democrats on matters relating to Europe, by which they are totally besotted, but the implementation of the Lisbon treaty? That is where the problem arises. People talk about transfers of power, but actually, the implementation of existing arrangements under the Lisbon treaty is causing so much difficulty—it is also an embarrassment to Opposition Front Benchers.

Stephen Gilbert: I am grateful to my hon. Friend, but it is not for me to judge who or what might be an embarrassment to those on the Front Benches. The reality is that there are clearly a number of safeguards in the Lisbon treaty, including the emergency brake clauses, which can be exercised by national Parliaments. In some cases, they would not require the UK Government to take a view—Parliament can take a view of its own volition. However, I shall resist further temptation from hon. Members and press ahead with my comments on some of the specific amendments in the group, particularly amendments 81, 54, 8 and 79.

Amendment 81 is in the name of my hon. Friend the Member for Witham (Priti Patel), and I have a slight declaration of interest to make in that my great-grandfather

[Stephen Gilbert]

was a fisherman along the north Cornwall coast out of Padstow. My constituency also includes many fishing communities, for whom the common fisheries policy in its current iteration is a significant problem. There is huge agreement across the House that having nationally decided quotas rather than regionally set quotas is a problem. The discard policy is also a problem, because it is absurd for this nation to have to throw back hundreds of tonnes of perfectly good fish when we could be using it to feed people in this time of pressures on food security around the world and concerns about the sustainability of fish resources.

I share my hon. Friend's determination to secure real reform of the CFP. We need to put sustainability at its heart and ensure that local communities are driving it. We also need to review the policy on discards. However, amendment 81 is—to shamelessly snag a pun that has already been used tonight—a red herring. I do not see how it will strengthen our hand when it comes to reform of the CFP—

Priti Patel: As I said earlier, the amendment would not reform the policy per se, but I tabled it because the future of our territorial waters cannot be left to chance. It is a fundamental issue.

Stephen Gilbert: I have some sympathy with the point that my hon. Friend makes, but it is a misnomer to call the amendment an effort to reform the CFP. As I understand it, the competences under which the CFP sits were transferred three decades ago. They are already decided under qualified majority voting, and having a referendum on this issue—should it even be a topic for debate, and I know of no such plans—would have no effect.

Thomas Docherty: It might help the debate to know that the Environment, Food and Rural Affairs Committee, of which I am a member, will shortly carry out an inquiry into fishing policy. I am sure that the Minister will be excited to have the chance to give evidence on the issue of discards.

Stephen Gilbert: I am grateful for that intervention and I am sure that the fact that the Committee will look at this issue will be as worthy of note as the fact that I have joined hon. Members from both sides of the House in signing the early-day motion on discards policy. On every occasion that this House has debated the CFP, a clear signal should have been received by Ministers that we want reform and we want it now. However, amendment 81 is not that reform.

It is clear that negotiations on the CFP will start later this year. I would like an assurance from the Minister that he has heard the concerns that have been expressed in this debate and will put protection of the UK's fish stocks at the heart of those negotiations.

Martin Horwood: What is my hon. Friend's opinion on some of the other amendments that have been tabled? Does he think that reform of the CFP might be made more difficult if we have such a hair trigger for referendums that it brings the whole process grinding to a halt?

Stephen Gilbert: My hon. Friend makes a very good point. We need to be careful what we wish for. Many of the amendments we are discussing would introduce a hair-trigger—an apt expression—approach to referendums that could end up shooting the UK's best interests in the foot.

Jim Shannon: The hon. Member mentioned regionalisation and the opportunity for other parts of the UK to be in control of fishing. Does he think that the localised control of fishing is the way forward to take control away from Europe and ensure that local people, who have the knowledge and the experience, can have an input into the process?

Stephen Gilbert: I share the approach that the hon. Gentleman outlines. It is the fishing communities who understand sustainability and the importance of ensuring that we have viable stocks for the future, and they will respond to those needs. It is right that responsibility for fishing policy should be reduced to the region, if not further to local areas.

Amendment 54, in the name of my hon. Friend the Member for Bury North (Mr Nuttall), is a little bizarre, because it promotes the notion that being given extra rights would require a referendum. The rights of EU citizens come under article 20 of the treaty on the functioning of the European Union and, as far as I can tell, they number four at the moment. They are the right to move and reside freely within the territory of the member states; the right to vote and stand as candidates in elections to the European Parliament and in municipal elections in the state of residence, under the same conditions as nationals of that state; the right to petition the European Parliament, to apply to the European ombudsman, and to address the institutions and advisory bodies of the European Union; and the right to enjoy, in the territory of a third country in which the member state of which they are nationals is not represented, the protection of diplomatic and consular authorities—a point about which the hon. Member for Rhondda (Chris Bryant) spoke at some length. My contention is that adding to the rights of citizens cannot be seen as a transfer of power or competence from the EU to the UK.

Mr Nuttall: Does my hon. Friend agree that, by definition, if citizens of another European Union member state are given rights by the European Union to do things in this country, the rights of our own citizens are diluted and power is therefore transferred to the rest of the European Union?

Stephen Gilbert: I simply do not agree. If rights are transferred to the EU level, every European citizen will benefit from those rights, including the many hundreds of thousands of British citizens who live and work in the other European Union member states.

Mr Andrew Turner (Isle of Wight) (Con): Does my hon. Friend agree that they have rights and we have liabilities, and that is the difference?

Stephen Gilbert: My hon. Friend and I share an interest in many matters, and I was delighted that the other place came to his rescue in the Parliamentary Constituencies and Voting Bill—although I am less pleased that it did not come to Cornwall's rescue. However,

on this issue I disagree with him. It is a caricature to say that they have rights and we have liabilities. The reality is that many of the people I went to school with now live and work in member states of the European Union and it is right that they should have protections extended to them in the same way that protections are extended to EU nationals living and working here.

My hon. Friend's philosophical disagreement does not detract from my central point, which is that this is not a transfer of power or competence from the UK, so I do not see the need for the referendum lock to be introduced. More broadly, is it not belief in those human rights and the shared view of human nature—the belief in the rule of law, the sanctity of human life and that all individuals are born equal—that unites member states in the European Union and leads to our ability to have a common view on many issues?

8 pm

Mr Cash: On the question of human rights—of course, our manifesto committed us to the repeal of the Human Rights Act 1998—what makes the hon. Gentleman think that the people of the United Kingdom would have been that much worse off if the European Human Rights Act had never been passed? What makes him believe that the vast amounts of money going to all the lawyers in the human rights environment are doing the people of this country any great service?

Stephen Gilbert: I am grateful to the hon. Gentleman for his contribution. The European Human Rights Act gave rights to people in this country that they did not enjoy previously. Those rights are now in statute. Of course, hon. Members can make the argument that the House could have conferred those rights—but then this House is exactly the body that did confer them, first through the 1972 treaty, and secondly under the previous Government through bringing the European human rights treaty into British statute, as I understand it.

Mr Nuttall: My hon. Friend is touching on one of the fundamental differences between how the European Union sees rights, and how this sovereign Parliament sees them. Parliament does not think that citizens need to be given any human rights because they are free to do anything under the law, whereas the European Union thinks that it has those rights to hand out to citizens of its European superstate as part of some great, grandiose gesture. That is the difference.

Stephen Gilbert: I am grateful to my hon. Friend. As a loyal subject of the Crown, I am equally pleased to be a citizen of the EU.

I will finish with some brief comments on amendments 8 and 79, which deal with the notion of a referendum lock on giving further financial aid to countries other than Ireland—an issue on which the hon. Member for Great Grimsby (Austin Mitchell) and I have just engaged. If the amendments are passed, they would damage diplomatic relations, delay the EU in helping struggling economies and potentially deny to the UK the same kind of benefits that Ireland has had in the past.

I want to make it clear that the Liberal Democrats support the Bill: it is about reconnecting the British people with the European issue; about saying that over the next five years, there will be no further transfer of powers and competences; about putting that commitment in law; and about raising the benchmark significantly higher than it has been to date.

Ben Gummer: I had many comments to make but, happily, my hon. Friend the Member for Stone (Mr Cash) has covered much of the ground I wanted to cover. I shall therefore be quite brief. Yesterday, in a memorable speech, my hon. Friend the Member for Grantham and Stamford (Nick Boles) described the Bill as the William Cash memorial Bill. Although I would not like to use such lapidary language with regard to my hon. Friend the Member for Stone, it is certainly a memorial in the sense that all that he has done over the years to protect the House and nation from the transference of powers to the European Union is contained within clause 6, so that it will not happen again without a referendum of the British people. I suspect that that is why my hon. Friend, whom I admire and have watched with great interest today, as a newcomer to the House, is uncertain about parts of the Bill.

Mention was made earlier of the fact that my hon. Friend's seat is often left cold while he explains the dangers of the transference of powers. The Bill will render much of that function, which he has served with such honour over the years, no longer necessary, because it encompasses what the British people have wanted for so long, as has been pointed out by so many people in this debate, which is for the powers of Parliament to remain here and not be transferred. Whether on the euro, social policy, finance, jurisprudence or border control—all those things that he has spoken about so many times—will now sit here in statute unable to be moved to a qualified majority voting system in the Council without the matter being referred to the British people.

The Bill does not just enshrine in law the wishes of the British people over many years; it is also a testament to the intellectual coherence of the coalition's project. It is about retaining power at the most local level possible. That does not just apply to this Parliament, but involves pushing power down to local communities wherever possible. That is why the cat-calling about the Bill from the Opposition is so misguided. They do not understand how it fits into the wider revolution being instituted by the coalition Government of bringing power as close to the people as possible. That is why I suspect they do not like it very much. It goes against everything that the Labour party believes in, which is to push power up to people who know best at all times.

We need only look at some of the comments made in this and previous debates. The right hon. Member for Rotherham (Mr MacShane), who is no longer in his seat, said in a previous debate on the European Union that the Bill would be a mistake because it would make it harder for Turkey to accede to the EU. Today, we heard points about the European arrest warrant—because, of course, it is he who knows best, and not the British people. Of course, it is the Opposition Front-Bench team who know best—in their minds—and not the British people.

Mr David: The hon. Gentleman has referred to Turkey. I hope that he has not forgotten that, as we discussed yesterday, a referendum on Turkish accession is expressly excluded from the Bill that he is supporting.

The Temporary Chair (Mr Brady): Order. In order to ensure that the voice of the hon. Member for Ipswich (Ben Gummer) is picked up, may I advise him to address the microphone and the Committee more directly? That would be helpful.

Ben Gummer: I apologise, Mr Brady.

As the hon. Member for Caerphilly (Mr David) knows, my general point is that the comments that Opposition Members have made today betray the fact that they do not trust the British people with these decisions. They said, "Well, of course, we could put a whole series of things to a referendum." But this is the point: it is about the transference not of decision making, but of powers by treaty to an outside body. Whether in their attitude to the European constitution—it is odd to try to force a constitution on the British people and a nation that does not have a constitution—or whether on the Lisbon treaty, on which a referendum was promised but not given, at every single point, the Labour party has shown its contempt for what the people want. In the course of that, it has damaged the very European project that it supports. For instance, it makes it very difficult to make the argument for the European arrest warrant—it actually helped one of my constituents in a moment of great difficulty, as I mentioned earlier—because every time it is rightly perceived to be a decision by people who think they know best but who do not trust the people with the arguments.

Emma Reynolds: I thank the hon. Gentleman for giving way; he is very gracious. Is it not the case that the Conservative Government in the 1980s and 1990s agreed to massive transfers of powers, without a referendum, from Westminster to Brussels in the form of the Single European Act and the Maastricht treaty? Is it not also the case that in our lifetime—in fact, since 1973—no Conservative Government have granted the people of this country a referendum? We actually have quite a good track record on referendums in this country—we granted many on devolution and one on membership of the European Union in 1975—but no Conservative Government have ever done such a thing.

Ben Gummer: The hon. Lady, who made an excellent speech earlier—I believe—said then that she had not read the 1973 Conservative manifesto. Well, I am of a similar age—I think—and I cannot stand here and answer for the actions of previous Conservative Governments, except to say that every one of those Acts and treaties was prefigured in a Conservative party manifesto. The difference between the Labour and Conservative parties is that we were promised a referendum on the Lisbon treaty, but did not get one. We were also promised a referendum on the euro, which is why the relevant provision is in the Bill. Had we decided to join the euro, that referendum would never have happened, because we did not have one on the Lisbon treaty. The Labour party would have been true to form.

The hon. Lady asked what the need was for the passerelle protection in the Bill and why would we not just veto each action at the Council of Ministers. The answer is precisely this: although we can trust the coalition Government not to transfer powers, if and when the Opposition show themselves capable of government, we will not be able to trust them precisely because on two occasions they failed to do what they should have.

Emma Reynolds: First, if our Government had decided that the economic conditions were right to go into the euro, which we did not, we would have given the British people a vote on that, because it would have been a significant monetary change. On the hon. Gentleman's second point, I did make the remarks to which he has referred, but I do not think they are as significant as he claims.

Ben Gummer: I thank the hon. Lady for that, but the British people have lost their trust in what the Opposition say on matters European. The Opposition's only contribution to this debate is one pathetic amendment—amendment 100—which does nothing to address the needs of their constituents, providing no constructive proposal whatever, unlike so many that my hon. Friends have proposed.

Emma Reynolds: Will the hon. Gentleman give way?

Ben Gummer: I am sorry, but if the hon. Lady does not mind, I am going to wrap up now.

What the Opposition do not understand—and what I think many on the Government Benches do—is the entirely radical nature of this Bill. It will fundamentally change the relationship between the people of this country—our constituents—and the European Union, and in so doing will change the functioning of the European Union. It is without doubt one of the more exciting Bills to be put before the House by the coalition Government, and I support it wholeheartedly.

Mr Lidington: Clause 6 lists those decisions that would always require approval by an Act of Parliament and a referendum. Most of the amendments that we have been considering today seek to add new provisions to clause 6. I want to try to do justice to each amendment and to the various topics that hon. Members on both sides of the Committee have raised in this debate.

Let me turn first to the issue of citizenship, which is the subject of amendment 54, as well as the consequential amendment 55, both tabled by my hon. Friend the Member for Bury North (Mr Nuttall). The amendments would mean that if a decision under article 25 of the TFEU were to add to or strengthen the list of rights for citizens of member states in the European Union contained in article 20(2) of that treaty, there would have to be a referendum before the United Kingdom could agree to it. I understand my hon. Friend's concerns, and he is right to say that the question of citizenship is important and sensitive. However, where I took issue with him was when he suggested that there was no limit to the ability of the European Union to confer new rights upon European citizens. There are a number of such limits specified in the treaties. Article 20(1) of the treaty on the functioning of the European Union states:

> "Every person holding the nationality of a Member State shall be a citizen of the Union. Citizenship of the Union shall be additional to and not replace national citizenship."

Article 20 also states that "rights"—that is, rights that people possess in their capacity as European Union citizens—shall be

> "exercised in accordance with the conditions and limits defined by the Treaties".

Article 25 is not a new article, but it does concern a sensitive issue, and that is why the Bill proposes to strengthen parliamentary scrutiny of this important

ratchet clause and to require that an Act of Parliament be passed before a Minister could notify approval by this country of a Council decision extending the rights attaching to EU citizenship.

That is also the reason—I hope that this will give my hon. Friend some assurance—why the Bill puts a referendum lock on any proposal that the United Kingdom give up its veto over article 25. We have also put a referendum lock on any proposal that the UK should give up other vetoes in the treaty chapter on citizenship of the Union, such as its veto over the arrangements for allowing EU citizens to vote in local elections or the arrangements for allowing people to stand and vote in European parliamentary elections. However, we do not believe that we need a referendum before agreeing to legislation to strengthen or to add to the rights of citizens of member states under article 25, because such legislation can be made only within existing competence. If there were any proposal to change the treaty to extend those areas of competence on which the rights of EU citizens could be based, such a treaty change proposal would be caught automatically by clause 4 and its requirement for a referendum before any extension of or addition to European Union competence.

8.15 pm

My hon. Friends the Members for Witham (Priti Patel) and for St Austell and Newquay (Stephen Gilbert) both spoke about the common fisheries policy, as did the hon. Member for Great Grimsby (Austin Mitchell). In addressing amendment 81, tabled by my hon. Friend the Member for Witham, I acknowledge from the start that the Government completely accept that the common fisheries policy has major problems—or, in plain English, that it has failed and continues to fail. It has failed to deliver on conservation and has not protected fish stocks. At the same time, it has failed to provide an adequate sustainable living for our fishing communities. That is why the United Kingdom has been at the forefront in calling for radical reform of the policy. The Fisheries Minister, my hon. Friend the Member for Newbury (Richard Benyon), will be pressing for fundamental changes to the policy at the forthcoming negotiations, to simplify and decentralise fisheries management. However, as was pointed out in an intervention from the Democratic Unionist Benches, when we talk about decentralisation, it is important that we take account of the interests of the devolved Administrations in the different parts of the United Kingdom.

Ian Paisley (North Antrim) (DUP) *rose—*

Mr Lidington: If the hon. Gentleman will forgive me, given the time allowed, I must first try to do justice to the points raised in the debate.

What we are pressing for will mean member states taking more responsibility for management decisions, and working together regionally to agree appropriate measures. It will also mean giving member states the tools to apply conservation measures, and holding them to account for implementing these, regardless of which nations fish in their waters. A draft proposal for reform of the CFP is due to be published in May or June this year, but so far there is no indication, in any of the many discussions that have taken place on the subject, that the Commission will propose changes to the powers of member states in relation to nautical limits. I can assure my hon. Friends and the hon. Member for Great Grimsby that the Government would vigorously oppose any such move on the part of the Commission.

However, in respect of amendment 81, I should say to my hon. Friend the Member for Witham that, for better or worse, the European Union has had competence over fisheries matters for more than 30 years, so there is no transfer of competence from the UK to the EU involved here. Changes to the CFP are agreed by qualified majority voting and co-decision with the European Parliament. Amendment 81 could therefore result in a referendum being held on a decision that this country could not subsequently block.

Gavin Williamson (South Staffordshire) (Con): Does my right hon. Friend feel that if amendment 81 were accepted and there were a vote, and if nothing could then be done as a result of such a referendum, it would undermine the confidence of the British people in a fantastic Bill?

Mr Lidington: My hon. Friend is absolutely right. It is therefore important that we focus the referendum lock on those decisions that are of real significance to the people we represent. I understand why my hon. Friend the Member for Witham has tabled amendment 81, which has provided us with a good opportunity to debate a subject about which she cares passionately, but it would not achieve the objective that she and other Members who want reform of the CFP are seeking.

Amendments 36, 37 and 38 would add any decision by the United Kingdom to vote in favour of, or otherwise support, measures brought forward under the justice and home affairs ratchet clauses contained in articles 81(3), 82(2)(d) and 83(1) of the TFEU to the list of measures subject to the safeguard requirements contained in clause 6 of the Bill. Amendment 40 would have a similar effect to amendment 36, but seeks to achieve it by adding article 81(3) to the list of treaty provisions in schedule 1. What those amendments seek is a referendum, rather than such provisions being made under the Bill.

My hon. Friend the Member for Hertsmere (Mr Clappison), speaking in support of the amendments tabled by my hon. Friend the Member for Daventry (Chris Heaton-Harris), broadened the debate into matters of justice and home affairs more generally. I hope that we will get the opportunity to debate those matters tomorrow, but I will respond briefly to the important points that he made. I know that his concerns are shared by many other Members.

On justice and home affairs opt-ins, we are talking about something that, like it or not, is a matter of existing European Union competence. However, where we have a choice, we cannot be compelled to take part in a particular measure. Furthermore—this affects how we deal with our systems for requiring scrutiny and accountability—where there is a three-month time limit, during which the United Kingdom has to decide whether to take part in the final negotiations on the shape of the legislative measure, that will impose a practical limit on what we can do while still keeping open the option on whether to join in.

I would say to my hon. Friend the Member for Hertsmere that the policy of the coalition is to consider on a case-by-case basis whether we should opt in to a

[Mr Lidington]

measure or not, and to judge each decision on its merits. There will be occasions when it will be in the national interest of the United Kingdom for us to take part. I would use the example of passenger name records to illustrate that. The United Kingdom Government are pressing the Commission and other member states to introduce measures on that, because we, along with the Government of the United States and a number of European partners, believe that such a measure would help all European countries and the international community generally to strengthen our counter-terrorist policies and provide a means of giving greater assurance of safety to our citizens when they travel by air. So we need to look at these measures on a case-by-case basis.

On scrutiny, as I said in my written ministerial statement of last Thursday, we are proposing not to reduce or limit existing scrutiny powers but to add to them. The minimum that the Government would offer is a written ministerial statement on each decision and, for more important measures, an oral statement. When there was an especially strong parliamentary interest, the Government would commit to setting aside their time for a debate in both Houses on a motion supporting the Government's approach. Such a motion would, of course, be amendable.

I believe that it would generally be right for such debates to be called when it was proposed to opt in to a measure that would have a substantial impact on this country's civil or criminal law, on our national security or on our immigration policy. I can say to my hon. Friend the Member for Hertsmere that it is certainly our view that, under the policy that I announced last week, the European investigation order would indeed have been referred for a debate of that kind. As he knows, the Commons Scrutiny Committee had not been fully constituted when that decision had to be taken within the three-month time limit. I know that the Government were uneasy about the fact that the non-existence of the Committee meant that we could not go through the appropriate scrutiny procedures.

In sorting out the details of these matters and putting flesh on the policy that I outlined last week, there will be a need for the Government to talk to Parliament, and to the scrutiny Committees in particular, about exactly how we translate this policy into practical action. There will also be a need to deal with matters such as recess periods and periods of Dissolution. On the question of override, there will, I am afraid, occasionally be cases in which an early opt-in decision is required. There has been one such case this year, in which it was in our interests to opt in to the EU-US agreement on the terrorist finance tracking programme, and we had to do that before the completion of scrutiny. We do not ever take those decisions lightly, and we always seek to keep Parliament informed when the risk of an override exists. To that end, we need to establish how these new arrangements will be managed, especially during periods of recess.

I shall now respond in more detail to the points raised by my hon. Friend the Member for Daventry. In practical terms, although the UK could block any attempt to move article 81(3) to QMV using either treaty revision procedure, we could not block the result being achieved through the use of the specific ratchet clause in article 81(3). We would simply be ejected from the measure under article 3(2) of the area of freedom, security and justice protocol, and the other member states would continue without the UK. So, in the unlikely event of the UK seeking to use either revision procedure to move article 81(3) to QMV, we could veto that and block the treaty change, but all that would happen, assuming that other member states wanted to go ahead, is that the EU would use the ratchet clause to change the legislative procedure without UK participation. On that basis, it does not seem sensible to put a referendum lock on the use of either of the treaty revision procedures to move the article 81(3) legal base to QMV, because it would not have the desired effect of stopping a move to QMV for individual measures of family law.

Article 82(2)(d) enables the Council to add to the list of issues that can be made subject to EU legislation on criminal law procedures, and article 83(1) allows for additions to the list of criminal offences where the EU can set minimum standards. The exercise of those two articles is already foreseen; they are known entities. They add to what can be done within existing areas of EU competence, rather than creating new competences, and we expect them to be used in relatively obscure areas. For example, on the criminal side, there is a possibility that a proposal will be introduced to use the ratchet to add the crime of female genital mutilation to the list of serious crimes, where the EU can set minimum standards under article 83(1) of the treaty on the functioning of the European Union. We will have the choice whether to opt in or not, in line with Government policy. If we wished to opt in, each House would have to agree that it could do so within the three-month period and, before the UK could finally sign up to such a proposal, there would have to be an Act of Parliament. Should we decide not to opt into the negotiations but later decide to opt into the final decision, there would then need to be an Act of Parliament before we could do so. We believe that that is the correct level of control for such decisions, and a considerable increase on the present amount of control provided for under the European Union (Amendment) Act 2008, under which the Lisbon treaty was approved.

I turn now to enhanced co-operation. I might want to write to my hon. Friend the Member for Hertsmere at greater length on this, given the limited time available to me now. I can tell him, however, that we have provided that, if the UK is participating in an area of enhanced co-operation that touches on one or more of the treaty provisions listed in schedule 1 and there is a proposal to use the ratchet to allow a move from unanimity to QMV, an Act of Parliament would need to be passed and the proposed move supported in a referendum before the UK could agree to that proposal.

My hon. Friend's amendment 13 would mean that, if the UK wanted to join in legislation agreed under an enhanced co-operation arrangement after that legislation had already been agreed by others, a referendum would be required if the smaller group had already decided to move to QMV on an article listed in schedule 1. The reason for the different approach that we are proposing in those circumstances is that the UK would be deciding whether to participate in enhanced co-operation on a specific piece of legislation, rather than on a whole area of policy, and we would be taking that decision in the full knowledge of what had already been agreed. We would be deciding freely whether to take part—we

could not be forced to take part—and we would take that decision in the knowledge that any future negotiation to amend that legislation would also have to be done on the basis of QMV.

That is different from taking a decision to move to QMV in the middle of a negotiation on a piece of legislation being agreed under enhanced co-operation to which we were already committed to taking part. That could lead to us being outvoted on the final piece of legislation, having gone into the process under different circumstances altogether. Any such decision, I say to my hon. Friend the Member for Hertsmere, would be subject to parliamentary scrutiny in the customary way. I am certainly prepared, in the context of the broader reform of scrutiny that I announced last week, to look at the particular point that he raised.

The official Opposition's amendment 100 is simply unnecessary. The policy on the patent is already subject to qualified majority voting, apart from two areas that are subject to unanimity. We propose that those should require an Act of Parliament, not a referendum.

To my hon. Friend the Member for Stone (Mr Cash), I say that we are not happy with the position on the European financial stability mechanism; it is one that we inherited from the previous Government. Our right hon. Friend the Prime Minister fought hard—and successfully—at the European Council to make sure that article 122 was extinguished for the future as a source of bail-outs for other countries. I ask my hon. Friend to recognise, in turn, that the stability of the eurozone, and the eurozone's success in solving its serious problems, are in our interests, too.

8.30 pm

Debate interrupted (Programme Order, 7 December).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D), That the amendment be made.

Question put and agreed to.

Amendment made.

The Chair then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment made: 58, page 4, line 39, at end insert

'and for the purposes of subsection (2A) as references to a notification'.—*(Mr Lidington.)*

Amendment proposed: 100, in page 5, line 27, after '(enhanced co-operation)', insert

'except in the field of EU patents'.—*(Emma Reynolds.)*

Question put, That the amendment be made.

The Committee divided: Ayes 215, Noes 334.

Division No. 181] [8.31 pm

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr David
Creasy, Dr Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fiello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Illsley, Mr Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Johnson, Diana
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mahmood, Mr Khalid
Mahmood, Shabana
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Phillipson, Bridget

Pound, Stephen
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, Valerie
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Graham Jones and
Angela Smith

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hermon, Lady
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David

O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Paisley, Ian
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Stephen Crabb and
Mark Hunter

Question accordingly negatived.

Amendment proposed: 8, page 5, line 35, at end insert—

'(l) a decision to extend the use of the European Financial Stability Mechanism to member states other than the Republic of Ireland.'.—*(Mr Cash.)*

Question put, That the amendment be made.

The Committee divided: Ayes 31, Noes 324.

Division No. 182] **[8.46 pm**

AYES

Bone, Mr Peter
Bridgen, Andrew
Campbell, Mr Gregory
Campbell, Mr Ronnie
Cash, Mr William
Clappison, Mr James
Davies, Philip
Dodds, rh Mr Nigel
Goldsmith, Zac
Hendrick, Mark
Hermon, Lady
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Lewis, Dr Julian
Main, Mrs Anne
McCartney, Jason
McCrea, Dr William
McDonnell, John
Mearns, Ian
Mitchell, Austin
Paisley, Ian
Reckless, Mark
Rotheram, Steve
Shannon, Jim
Shepherd, Mr Richard
Simpson, David
Skinner, Mr Dennis
Whittingdale, Mr John
Wilson, Sammy
Wood, Mike

Tellers for the Ayes:
Mr David Nuttall and
Mr Andrew Turner

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bayley, Hugh
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris

Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendrick, Mark
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Caroline
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McDonnell, Dr Alasdair
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mearns, Ian
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reevell, Simon
Reid, Mr Alan
Ritchie, Ms Margaret
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rotheram, Steve
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Stephen Crabb and Mark Hunter

Question accordingly negatived.

Clause 6, as amended, ordered to stand part of the Bill.

Schedule 1

TREATY PROVISIONS WHERE AMENDMENT REMOVING NEED FOR UNANIMITY, CONSENSUS OR COMMON ACCORD WOULD ATTRACT REFERENDUM

Amendment made: 60, page 13, leave out lines 15 to 22 and insert—

'Chapter 2 of Title V (specific provisions on the common foreign and security policy).'.—*(Mr Lidington.)*

Schedule 1, as amended, agreed to.

Clause 11

PERSONS ENTITLED TO VOTE IN REFERENDUM

Question proposed, That the clause stand part of the Bill.

9 pm

Mr Lidington: It would be helpful if, by way of introduction, I gave a brief explanation of our approach to how the referendum provisions in the Bill would work—the referendum mechanics, in other words. I stress that provision for the conduct of UK referendums on all issues, including those in the Bill, is set out in the

Political Parties, Elections and Referendums Act 2000. That statute covers the overall regulatory framework applying to referendums and sets conditions in relation to the referendum period, the date of the poll, the wording of questions, the role of the Electoral Commission in commenting on the intelligibility of those questions to ensure that questions are "clear, simple and neutral", and the conditions to be set in relation to the registration of campaign organisations and for financial and other assistance to be given to designated individuals or organisations. For this purpose, the Act allows the Electoral Commission to designate one individual or organisation for each possible outcome of a particular referendum, which could include political parties, and to award them a public grant of up to £600,000 and other benefits.

In addition, the provisions of the PPERA impose financial controls on the expenditure and income of campaigning individuals or organisations that are not political parties. They place controls on referendum publications by Government and others, and make provision for enabling secondary legislation to be made for the conduct of referendum polls. Those provisions in the PPERA would apply to any referendum conducted under the terms of the Bill and, as the Committee knows, the referendum proposed in the Bill on the parliamentary voting system. Similarly, any amendment to, or replacement of, the PPERA in the future would correspondingly apply to any referendums held under the Bill.

The PPERA, however, does not cover matters that are inherently specific to a particular referendum. Those include the precise wording of the question, the date of the referendum, its franchise, or the precise length of what is termed the referendum period, which is that period during which campaign expenditure is regulated. The Act does not cover how challenges to the referendum result are to be handled, the payment of counting officers, or the conduct of the referendum—for example, decisions on locations, opening hours of polling stations, permitted size of posters and any electoral offences related to the holding of a referendum.

When considering how many of these specific issues to address in the Bill and how many to leave for a specific Bill at the time of a particular referendum, the Government took account of our commitment in the coalition agreement that there would be no further transfer of competence or power from the United Kingdom to the EU over the course of this Parliament. Logically, therefore, there will be no referendums about the transfer of competence or power until 2015 at the earliest, as there would be no such transfers on which the British people should be asked to opine. But as I made clear in earlier debates on the Bill, any proposed treaty change even during this Parliament would none the less be subject to the rigours of this legislation—a statement would have to be laid before Parliament setting out the Government's analysis on competence and whether any transfers of power would result, and that treaty change would still require Parliament's clear approval through primary legislation.

Mr David: May I take the Minister back to what he was saying about the Electoral Commission and possible financial support to those putting forward a case for or against an issue under consideration? A referendum is due to take place in Wales on 3 March and, because there is no recognised body advocating a no vote, no finances are being given in that direction, but that means that no finances have been given to those who support a yes vote. Could a similar thing happen to any referendums that the Minister is outlining?

Mr Lidington: We would certainly want to avoid that and would look at the experience that the hon. Gentleman describes. It is important to recall that the principle of grants being made available for lead campaign organisations was recommended by the independent Committee on Standards in Public Life and approved by Parliament in legislation passed under the previous Labour Government in 2000. I hope that he agrees that it would not be in the public interest for one side in a referendum campaign to be able to outspend the other hugely. A grant ensures that both lead campaign organisations can campaign effectively and that helps the public make an informed choice.

I emphasise that the Bill is not intended to serve as a vehicle for providing for all the detailed referendum rules required to supplement the provisions already contained in the PPERA. That is because we cannot anticipate exactly what referendums might be required in the future, when they would be held or, indeed, what the relevant electoral and referendum law would look like at that time. I do not want to write on tablets of stone arrangements that could prove to be at odds with a subsequent change in general electoral legislation. Therefore, we cannot provide everything on the convening of those specific referendums in the Bill. Rather, it sets out the circumstances in which those referendums would have to be held.

Charlie Elphicke (Dover) (Con): On the issue of who can vote in referendums, I notice that specific mention is made of the right of the people of Gibraltar to have a say in a referendum. It seems to me that they would like to be part of the United Kingdom for many purposes when it comes to European matters. Would it not be right to allow them more of a chance to have a say?

Mr Lidington: My hon. Friend makes a good point. Of course, we must look at the question of whether the franchise for a particular referendum should include the people of Gibraltar in the context of whether it would affect Gibraltar. As he will appreciate, although Gibraltar is in most respects treated as part of the EU, some parts of the treaties do not apply to it. It is therefore right that the Bill specifies that the electorate in a referendum should include the people of Gibraltar when the subject matter of that referendum also applies to them. To provide further reassurance, I call tell him that I have consulted the Chief Minister of Gibraltar formally and discussed the matter with him face to face, and he has assured me that he is content with the arrangements for Gibraltar as set out in the Bill.

Christopher Pincher (Tamworth) (Con): This is not the time to talk about changes to the Representation of the People Act 2000, although it is probably the place, but the Minister will be aware of the great concern here and in the country about extending the right to vote to prisoners. My understanding from the ruling of the European Court of Human Rights is that that applies only to general and European Parliament elections, so is it not possible to include in the Bill a specific disfranchisement of prisoners, who otherwise would have an opportunity to vote on constitutional matters?

Mr Lidington: As my hon. Friend knows, the Government are considering how to comply with the Court's decision. Article 3 of the first protocol of the European convention on human rights sets out the right to vote in elections. Importantly, that right extends to elections to legislatures, within the meaning of article 3, so we are not under an obligation to enfranchise prisoners for local elections or referendums, and the policy is that we will not do so. The Government accept the need, as did our predecessor, to change the law to give some prisoners the vote in the light of the Court's judgment. The right to vote will be restricted to UK Westminster parliamentary and European Parliament elections only.

Charlie Elphicke: The European Court of Human Rights ruled on prisoner voting in, I believe, Hirst *v.* the United Kingdom. Despite what my right hon. Friend says, and given that case, how can we be confident that an element of judicial activism will not enable prisoners to vote on a referendum question?

Mr Lidington: My hon. Friend is perfectly right to be alert to any sign of judicial activism, but I assure him that one thing that will be very much on the mind of our right hon. and learned Friend the Secretary of State for Justice is to devise a policy that takes us forward in compliance with the judgment while keeping to the minimum the risks that my hon. Friend fears.

We recognise the need to ensure that Parliament and the British people have a degree of clarity now about any referendums that will take place under this Bill in future. We want to provide as much clarity as we can from the outset in order to reduce any scope for wriggle-room, and we therefore propose specific measures in this Bill to ensure that any referendums held under it are to some extent standardised. Clauses 11 to 13 include three mechanical provisions for every referendum to be held in future.

Clause 11 concerns the franchise for any future referendum held under the terms of the Bill. The most appropriate franchise for future referendums on questions of transfers of competence or powers from this country to the EU is one based on that for elections to this House, rather than on that for either local government elections or European parliamentary elections, for example. If we were to adopt an alternative franchise, we would allow for voting by citizens of other European Union countries resident in the UK, and that would sit rather oddly with the principle of having the British people decide on whether they wish to pursue further transfers of power from their country to Brussels.

Mr Robert Buckland (South Swindon) (Con): Will the franchise for voting in a referendum under this legislation be extended to peers, whether or not they are Members of the House of Lords?

Mr Lidington: I do not know whether this delights my hon. Friend, but peers would be able to vote in a referendum; it might well delight Members of the other place. The purpose of the referendum would be to obtain views about the transfer of competence or power from the UK to the European Union, and the Government do not consider there to be a strong, principled reason for excluding peers from expressing their views as part of such an exercise. We therefore propose the same franchise as that used for the European Economic Community referendum in 1975 and that which will be used for the referendum on the voting system for UK parliamentary elections, namely the parliamentary franchise plus peers.

Charlie Elphicke: One concern that I have about using the referendum mechanism is that it does not contain thresholds. Recently we had before this House a Bill, which has become jammed in another place, where thresholds were discussed. Does the Minister not think that, in the case under discussion, thresholds might surely be worth considering?

The Temporary Chair (Mr Brady): Order. That is outside the scope of the clause, which is about people who are entitled to vote.

Mr Lidington: I shall bear your guidance very firmly in mind, Mr Brady, and simply say that the Government do not propose to specify in this legislation any further thresholds on the turnout.

In response to my hon. Friend, I mentioned the Government's reasons why the franchise should be extended, where relevant, to Gibraltar, but it is worth me explaining, because there has been some concern in the House, why people from the Crown dependencies and British overseas territories will not be included in the franchise. Very little EU law applies to the Crown dependencies, mainly because of the provisions of our Act of accession to the then EEC in 1972, and also because of the current provisions of the European Union treaties. By virtue of article 355(5)(c) of the treaty on the functioning of the European Union, the European Union treaties apply to the Crown dependencies, but only to the extent described in protocol 3, which provides that EU rules on customs matters and quantitative restrictions apply to the Crown dependencies

"under the same conditions as they apply to the United Kingdom",

that the Crown dependencies are inside the EU customs territory and that certain aspects of the common agricultural policy are applicable to allow the free movement of agricultural products.

9.15 pm

Provisions on the free movement of persons and services do not apply to the Crown dependencies. The people of the dependencies benefit from those provisions in the rest of the EU only if they have close ties with the UK—for example if they, their parent or grandparent were born, adopted or naturalised in the UK, or if they have

"at any time been ordinarily resident in the United Kingdom for five years."

The Crown dependencies neither contribute to nor are eligible to benefit from EU funds. They are not subject to EU measures on taxation, nor are they for any purposes within the EU's fiscal territory. Unlike the citizens of Gibraltar, citizens of the Crown dependencies do not vote in European parliamentary elections.

Overseas territories other than Gibraltar are not members of the European Union, but all apart from Bermuda and the sovereign base areas have a special relationship or association with the European Union.

That association is enshrined in European legislation, most recently in the Council's 2001 overseas association decision, under which qualifying territories are eligible for European development fund finance. Neither the Crown dependencies nor the overseas territories are looking for closer political integration with the EU, and through official-level engagement with colleagues in the Crown dependencies, we have not received any representations to consider their inclusion in the franchise for any referendum conducted in accordance with this legislation.

Mr Nuttall: The explanatory notes on clause 11—perhaps we ought to refer to them as the first edition of the explanatory notes—state:

"A person who is entitled to vote in a parliamentary election in the UK must be a British citizen, Commonwealth citizen, a citizen of the Republic of Ireland or a British citizen who qualifies as an overseas elector."

Does my right hon. Friend agree that it is rather strange that all those classes of people will be entitled to vote under the Bill, but not necessarily, from what he has said, people from British overseas territories?

Mr Lidington: Our position is that people who are resident in the United Kingdom and who are enfranchised for general elections will count legally as UK nationals for European purposes. That is the electorate, with the addition of peers, that we envisage for any referendum that is required under the terms of the Bill. The distinction that I tried to make earlier—I apologise to my hon. Friend if I did not explain myself with sufficient clarity—was between Gibraltarians living in Gibraltar, who would be entitled to vote if the subject matter of the referendum affected Gibraltar, and citizens of Crown dependencies or British overseas territories living in those places. An analogy might be made between those people and citizens of Gibraltar, but as I have tried to explain, the relationship of the Crown dependencies and other British overseas territories with the EU is very different from that enjoyed by Gibraltar.

Charlie Elphicke: I hate to press the cause of the people of Gibraltar, but I understand that for the purposes of elections to the European Parliament, the people of Gibraltar are able to vote for Members of the European Parliament for the south-west region. Given that they can vote in elections for that Parliament for all purposes in the European arena, surely they should be able to vote on referendum questions for all purposes.

Mr Lidington: No, I think that we have drawn a fair distinction by saying that it is right to confine the electorate for a referendum that does not affect Gibraltar to people in the UK who are entitled to vote in UK elections, and to say that Gibraltar should be allowed to vote when the issue in question affects it. I repeat to my hon. Friend that the Chief Minister of Gibraltar has assured me that he is perfectly content with what we are proposing.

The franchise proposed in clause 11 is also referred to elsewhere in the Bill, namely in clauses 2 and 3. I believe that what we propose is proportionate and justified to ensure that citizens in both the UK and Gibraltar who would be affected by a treaty change, or by a decision that would transfer power or competence from this country to the EU, could express their view in a referendum.

Emma Reynolds: I have just two questions of clarification for the Minister and to ask him whether he can confirm that the Government will not repeat the recent mistakes on the alternative vote referendum. First, will they commit to consulting the devolved Administrations regarding the timing of any referendum triggered by the Bill? Secondly, will he make a commitment today that any such referendum would not take place on the same day as the devolved Assemblies elections?

Mr Lidington: We will not give a commitment about specific dates for referendums that are not going to be held before 2015 at the earliest. There are advantages and disadvantages to holding referendums on the same days as other elections, and it is certainly considerably less expensive to the taxpayer if a referendum can be combined with a ballot for other purposes.

Nick Boles (Grantham and Stamford) (Con): In the United States, where much more use is made of local referendums in states such as California, do not such votes almost always take place on the same day as gubernatorial, mayoral or House of Representatives elections? What America understands, which we somehow fail to understand, is that people are perfectly capable of distinguishing between different questions and quite like being asked to go to the polls only once.

Mr Lidington: My hon. Friend makes a good point, and I suspect that a number of Members of all parties can recall occasions when both a general election and a local government election of some kind have been held on the same day in the same place. We have found that our electors have been perfectly capable of deciding to split the ticket if that is what they wish to do.

Mr Dodds: As far as Northern Ireland is concerned—I cannot speak for Scotland or Wales—the objection has always been to the idea of a general election for Westminster and for the Northern Ireland Assembly on the same date. There has not really been the same objection to holding a referendum or a local government election on the same date as the Northern Ireland Assembly election. I take the point made by the hon. Member for Grantham and Stamford (Nick Boles) about people not having to go out to vote over and over again, and we have certainly had plenty of experience of that in Northern Ireland over the years.

Mr Lidington: I am grateful to the right hon. Gentleman for his comments.

The other point that a future Government would have to bear in mind in determining a referendum date would be whether there was any particular urgency to a treaty or passerelle proposal that required a referendum. In normal circumstances the various national ratification procedures take quite a bit of time, and if there were a proposal under the ordinary revision proposal, it is probable that more than one member state would have to have a referendum. There would therefore be quite a long period between agreement at European Council level and ratification by all 27 member states, or more by then, I hope. However, it is conceivable that there may be a particular need for urgency, and the Government of the day would have to bear that in mind.

[Mr Lidington]

The other point that the hon. Member for Wolverhampton North East (Emma Reynolds) made was about the relationship with the devolved Administrations. The Government take that seriously, and we have regular formal meetings with them about Europe through the joint ministerial committee on Europe. I am also in contact with Ministers in each of the devolved Administrations. I can assure her and the Committee that they never hesitate to bring their concerns to me. We would certainly want to continue that process of consultation, bearing their interests in mind.

Mr David: I welcome the Minister's partial reassurance, but may I press him on it? The important thing is for this Government proactively to lead consultation with the devolved Administrations. He should not simply wait for them to make representations to him.

Mr Lidington: We try to do both. We in the Government can pride ourselves on enjoying a rather better relationship with the devolved Administrations than the previous Government were usually able to manage.

Mr Dodds: It is key not only that Ministers from the devolved regions make representations and that the Minister proactively instigates consultation, but that when representations are made, they are listened to and taken seriously, and that the respect agenda is followed.

Mr Lidington: The right hon. Gentleman makes a perfectly fair point. He will know that the Prime Minister personally takes the respect agenda very seriously and that he is determined that his Government pursue it. I hope that the Committee agrees to clause 11.

Question put and agreed to.

Clause 11 accordingly ordered to stand part of the Bill.

Clause 12

SEPARATE QUESTIONS

Question proposed, That the clause stand part of the Bill.

Mr Lidington: Clause 12 provides that separate questions should be set out on a referendum ballot paper in specified circumstances. You will not need reminding, Mr Hoyle, that it is this Government's clear commitment not to agree to any treaty change or decision to transfer power or competence during this Parliament, but if and when the time comes to hold a referendum under the Bill, nothing in the legislation prevents more than one referendum from being held on separate but coincident treaties or decisions on the same day, or the combination of a referendum with another poll.

As the Committee is aware, a combined poll is the Government's intention when it comes to the referendum on the parliamentary voting system. As I explained in relation to a previous clause, the rules that govern whether such a combination could take place for referendums under the Bill are provided for in the overarching legislation—the Political Parties, Elections and Referendums Act 2000—and we recognise that the Electoral Commission would have an opinion on what combinations would be feasible.

There are considerable savings to be made in terms of money, disruption and people's time if polls are combined, but in addition, as my hon. Friend the Member for Grantham and Stamford (Nick Boles) pointed out, the electorate often wish to combine different voting opportunities on a single day. People do not really relish the task of having to traipse to the polling station more frequently than they regard as necessary.

The Electoral Commission has previously said that it would consider on a case-by-case basis proposals to combine different ballots on the same day. The Government believe that that is a sensible approach. We therefore do not seek to make any specific provision in the Bill, particularly as we do not know at this stage when any future referendums will be proposed.

Clause 12 would ensure—should more than one referendum be proposed for the same day—that it is not possible to set a single combined question on all of the issues to be decided upon that day. People have a right to the utmost clarity and choice, and the clause sets a standard that we intend will provide that.

To give an example, if a future Government ever took the step of proposing that the United Kingdom should join the single currency, and separately took the decision to give up our border controls, and if those two referendums were to be held on the same day for reasons of efficiency, the question on joining the euro would be separate from the question on giving up our border controls. There would be two separate questions on the ballot paper and two separate results, because obviously, some people might wish to support one proposition but to oppose the other.

9.30 pm

Mr Nuttall: I can quite easily see how it would be a significant saving to the public purse to have more than one referendum held on the same day, and I have no doubt that our fellow citizens are more than capable of determining two complex questions at the same time and on the same day. Does my hon. Friend agree that, for ease of counting if for nothing else, it would be preferable if the two questions put before the electorate were on separate ballot papers, possibly even of differently coloured paper? That would make it far easier for the returning officers to sort the ballot papers and determine the outcome of the ballot.

Mr Lidington: My hon. Friend makes a sensible suggestion, and I am sure that the Government of the day and the Electoral Commission would wish to take it into account in framing the rules for any particular referendum or combination of referendums.

Mr Dodds: I agree with the point made by the hon. Member for Bury North (Mr Nuttall), and the Minister has said that it will be taken into account, but the clause states that

"a separate question must be included on the ballot paper"—

singular. If this clause is passed in its current form, we will not have the flexibility or freedom to have a separate arrangement. Having separate ballots is a good idea, given the experience in Scotland at the last Assembly and parliamentary elections, when the fact that there were different elections on the same ballot paper was the problem.

Mr Lidington: There is a principle in the interpretation of the law that the singular can include the plural. If the wording proved to be an obstacle to what the Government of the day and the Electoral Commission considered to be the best way to operate a referendum, it would certainly be open for a change to be made in the Bill authorising the referendum. I am prepared to have a look at that question between now and Report. I am reasonably confident that we would not run into the problems that the right hon. Gentleman described, but I am prepared to seek detailed advice and come back to it on Report.

Christopher Pincher: I suspect that the number of occasions on which multiple referendum questions are on the ballot paper will be quite rare, but on those occasions will the Government agree to spend more money to publicise the referendum and allow campaigning organisations more money to spend campaigning for or against the questions? The more questions on the ballot paper, the more complex the issues are and the more money needs to be spent to explain them.

Mr Lidington: That is one of the very good reasons for not trying to cover all the ground in this Bill. That kind of detail will be a matter for the application of the 2000 Act or its successor statute, and for the Government of the day to authorise a referendum or combination of referendums. That might depend, for example, on whether one lead campaign organisation could be said fairly to represent the views of the yes or no camp on more than one referendum, or whether separate lead organisations were needed. It is reasonable for my hon. Friend to ask those questions, but answers to them can be provided only when we come to consider a specific case in due course.

Mr Nuttall: Does that not lead us to the interesting question of whether there is a practical maximum number of referendums that could be held on the same day? I can understand how we could deal with two, but it gets rather complicated if there are more than two. We could have three different organisations with three separate streams of funding from the Electoral Commission, and soon the whole thing would begin to look rather unwieldy.

Mr Lidington: Although one can never guarantee against the utterly implausible happening, the scenario that my hon. Friend describes would require a commitment of political energy on the part of every EU member state, because the decisions subject to a referendum require unanimity among member state Governments. Furthermore, he assumes that the UK Government of the time would be prepared to accept and recommend to the people three different treaty changes, or the implementation of three different passerelle clauses, or some combination of those on a single occasion. That is unlikely in the extreme.

A more plausible scenario—although I do not think, from talking to my colleagues on the Council of Ministers, that people have any appetite for this at the moment—if European countries wanted an ambitious treaty change covering a number of different competences, would be to seek treaty amendment through the ordinary revision procedure. That is the instrument available to the EU for an ambitious, wide-ranging treaty change along the pattern of Lisbon, Nice, Amsterdam and Maastricht. In those circumstances, the total proposal for a treaty amendment—regardless of which city it was named after—would be the subject of a single referendum question. It is most unlikely, therefore, that there would be a multiplicity of narrowly focused referendum questions, given the availability of that instrument.

Nick Boles: On a related point, it is dangerous ever to underestimate the deviousness of those who wish to build the grand European project—of course, they are entirely honourable in this, because they believe that their aims are honourable. However, would it not be conceivable that a Government—a future Labour Government, probably—who wanted, for example to set up a set of common European defence forces to replace our national defence forces, might agree a treaty in which they also agreed to repeal the common fisheries policy, which Conservative Members would strongly support? Would we then have a single vote on a single treaty that combined some elements that this country would strongly support and other elements that it would find very difficult? Or would the Government still be able to separate the different elements of the treaty and ask separate questions?

Mr Lidington: No, in the circumstances that my hon. Friend describes, in which an omnibus treaty amendment is delivered under the ordinary revision procedure, there would be a single question. It would be ridiculous for the Government to present that to the people as a number of different questions, because the Government, on behalf of the United Kingdom, would have to ratify the entire package en bloc, or refuse to ratify it en bloc. The negotiation would have resulted in a compromise among member states on something to which they all felt able to give their assent, and they would all have to be accountable to their respective electorates for that overall decision.

Charlie Elphicke: On this matter of referendums being held on the same day, will the Minister explain the revenue implications of separate referendums on separate days?

Mr Lidington: As I said in response to an earlier intervention, if different decisions about treaty amendments were being taken at roughly the same time—I imagine that they would be either passerelle clause decisions or simplified revision procedure decisions—it might well be sensible to combine the referendums on those measures on the same day. The public would get pretty impatient with Parliament if we suggested that should they pop down to the polling station every other Thursday to put their cross in the box for yet another referendum proposal. They would quite rightly be asking why we were requiring their local authorities, as the electoral registration authorities—and ultimately them as taxpayers—to go to such expense and bother on so many different occasions. I would suggest to my hon. Friend that common sense would prevail, regardless of which party was in office.

Charlie Elphicke *rose—*

Mr Lidington: If my hon. Friend will allow me, I want to make a bit of progress. In particular, I want to deliver a bit of good news to the right hon. Member for

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Belfast North (Mr Dodds), to whom I am always pleased to give good news. Advice has reached me that confirms the point that I made to him somewhat tentatively when I responded to his intervention. The law does indeed make it clear that when it comes to the interpretation of statutes, the singular can be interpreted to mean the plural. Under the language that we have used in the clause, it will be possible to have either one ballot paper with multiple questions or several different ballot papers, depending on the circumstances at the time. That would obviously be a detailed decision that the Government of the day would have to make, taking, I would very much hope, the advice of the Electoral Commission into account.

It should be noted that neither clause 12 nor any other clause in the Bill sets any other explicit parameters on the framing of the question. However, it is a condition separately in clauses 2, 3 and 6 that, for a proposal in a referendum to be passed, the majority of those voting should be in favour of the ratification of the treaty or approval of the decision, whichever it may be. That condition would logically require that the question be framed as a simple choice between two options, rather than a menu of options to which the responses would be much more difficult to interpret. In other words, it is implicit in the Bill that the question would be a binary one. It is the Government's clear view that this should be the case for all and any referendums held under the provisions of the Bill.

Mr Nuttall: On the binary question, and whether we should have no/yes or yes/no, does the Minister agree that it is rather unusual that whereas individuals standing in an election are listed on the ballot paper in alphabetical order based on their surnames, when it comes to a referendum, for some reason the yes comes before the no? That is rather odd. I think that the no should be first and that the yes should come second.

Mr Lidington: I am sure that my hon. Friend means well, but I would urge him to have more confidence in our fellow citizens. In particular, I would point him to the referendum on the proposed assembly for the north-east of England. A yes vote was strongly supported by the then Labour Government, as well as enjoying the support of quite a number of public organisations in the north-east of England, but the proposition was resoundingly rejected by the public when it came to the ballot in that region. It is a good old Tory principle to trust the people, and I think that we should be content with that.

9.45 pm

Mr Nuttall: I want to make it absolutely clear that I entirely agree with the principle of trusting the people. I have no doubt whatever that the people of this country are more than capable of working out which is which. I just thought it was rather odd that the yes should appear above the no, and I wondered whether there was any reason why that should be so.

Mr Lidington: As far as I am aware, there is no particular reason for it. However, the Electoral Commission will have a duty to comment on the question that the Government of the day have chosen, and I am sure that, if the Commission felt that placing yes above no gave an unfair advantage in some way, it would so opine and the Government would take account of that. It is quite difficult to envisage a ballot paper that did not have either yes or no at the top of the paper. At the end of the day, it comes down to a choice by the people: they have two options available to them, and I think that they will know which side they are on when it comes to the vote.

Mr David: I am tempted to ask the Minister whether Welsh will appear above English on the ballot papers in Wales, but I will not. Is there anything in the legislation that would prevent the Government from going back to the electorate if a no vote had been secured when the Government clearly wanted a yes vote? Could the question be put to the electorate for a second time, and, if so, what period would have to elapse before that could happen?

Mr Lidington: The Bill makes it very clear that the referendum condition has to be satisfied, in the circumstances in which the law requires a referendum to be held, before the Government are able to ratify the proposed treaty. I simply do not believe that any British Government who had been defeated at a referendum would then come forward and say to their electorate, "No, you've got it wrong. Let's dissolve the people and have a new one!" That really does not make political sense.

Mr David: This is an important, although admittedly hypothetical, point. However, let us not forget what happened recently in Ireland.

Mr Lidington: What happened in Ireland was that the Irish Government went back to their EU partners and received various assurances, which were incorporated into a protocol to the treaties. We can debate whether the Irish Government were right or wrong to be satisfied by those assurances, but I actually think that it is a matter for the Irish people, not for me, to decide. In such slightly far-fetched, hypothetical circumstances, were a British Government to do as the hon. Gentleman suggests, they would have to bring the protocol back here and go through the entire process again, including the assessment of the ministerial declaration and the Act of Parliament. There would then have to be a new referendum. I just think that any Government who tried to do that would be punished so severely by the people every time they got the opportunity to go to the ballot box that it would be the last thing on any Minister's mind.

Mr Nuttall: Will the Minister give way?

Mr Lidington: Before I give way to my hon. Friend, may I just say that I am very conscious that we have another important clause to consider, if we can, before the 10 o'clock deadline?

Mr Nuttall: I, too, am conscious of that. The Minister says that the Irish situation was a rare occurrence, but he will be aware that it also occurred in Denmark and France. It is therefore not all that unusual in the European Union for second referendums to be held on the same or a very similar question.

Mr Lidington: I go back to what I said earlier: I trust the people. If a Government wanted to ask people to vote again, they would have to go through the entire procedure again—assuming that a new protocol or slightly revised treaty wording were involved—as well as

having to persuade a pretty sceptical electorate that they should change their mind. I think that my hon. Friend is at risk of exaggerating the likelihood of those circumstances arising. While I do not think that the loss of a referendum vote on a European treaty amendment should determine whether a Government should fall, it would undoubtedly be a very severe political blow to that Government.

Once this Bill becomes law, I think the pressure will be the reverse of what my hon. Friend fears, as the pressure will be on any British incumbent Government to be very confident that they can carry support among the electorate for a treaty reform transferring new powers or competences to the European Union before they agree to it at the European Council. The arrangements we are putting in place thus provide safeguards against what my hon. Friend fears.

In any event, the Political Parties, Elections and Referendums Act 2000 requires the Electoral Commission to consider the wording of any referendum question when a Bill to provide for the holding of a poll is introduced in Parliament. In the case of a draft instrument, the Secretary of State is required to consult the Electoral Commission on the wording of the referendum question before any such draft is laid before Parliament for approval, and he or she is then required to lay before each House a report stating any views as to the intelligibility of that question which the Commission has expressed in response to the consultation. We have not sought to disapply that requirement, as we think the Electoral Commission plays an important role in ensuring both the neutrality of the question and that it is correctly and easily understood by voters.

Under PPERA, the Electoral Commission is required to consider the wording of the referendum questions for UK, national and regional referendums and for some local government referendums. Having done so, it is required to publish the statement of its views as soon as practicable and in such a manner as it may determine. Helpfully, the commission has developed guidelines to aid the drafting of intelligible referendum questions. In these, it says that a referendum question should present the options clearly, simply and neutrally so that it is easy to understand, to the point and unambiguous; and should avoid—I hope this helps my hon. Friend the Member for Bury North—encouraging voters to consider one response more favourably than another, and avoid misleading voters. In reaching its conclusions, the Electoral Commission adopts a systematic and thorough approach, which now has the advantage of some considerable experience behind it. It is also important that it publishes a report of methodology to enhance transparency and its credibility.

Clause 12 is thus a proportionate and sustainable provision to ensure that the voice of the British people can be heard on each question asked of the people. That, in turn, will help us with our commitment to rebuild the trust between Government, Parliament and the people, and to reconnect our people with decisions taken in their name on our continuing relationship with the European Union. For those reasons, the clause should stand part of the Bill.

Charlie Elphicke: I want to make a few brief points and hope that the Minister will come back to me on them. I note that after the Scottish elections of 2007, the Gould report concluded that it was preferable for referendum questions not be done as a multiplicity, but to be put separately after separate campaigns. I am particularly concerned because there has been a tendency on the part of some Governments to play somewhat fast and loose on whether there should be a referendum at all or, indeed, in respect of asking loaded questions. We need to be careful to ensure that if there is a combination of questions, the key issues are not edged together and confused, leading to a muddle in the public's minds. That is a serious and substantial concern, so I would be grateful if the Minister would respond to it.

Also, I was not being frivolous when I asked the Minister how much it would cost if referendums were held on separate days—leaving aside the annoyance that voters might feel in being called time and again to the polls.

Mr Lidington: On my hon. Friend's second point, I do not have precise figures. Clearly, our experience of national UK referendums is limited—the last being in 1975, as the hon. Member for Caerphilly (Mr David) has frequently reminded us today. The referendum on the voting system planned for later this year will no doubt give us some guidance. I am happy to write to my hon. Friend if I acquire any firmer indication of what the costs might be. Clearly, there would be financial advantages in combining more than one poll, whether it be a combination of referendums or of a referendum and a local or devolved election on the same day.

Let me say in fairness to the Gould report, to which my hon. Friend alluded, that although it criticised what happened in 2007, it also recognised that there were benefits in the combination of polls, such as reduced costs and a higher turnout. A well-managed referendum, involving close co-operation between us and the Electoral Commission and others, should allow us to maximise those benefits while avoiding the problems that undoubtedly occurred in 2007. Let me emphasise again, however, that the decision would need to be taken in the future, and would depend on the circumstances at the time.

Question put and agreed to.

Clause 12 accordingly ordered to stand part of the Bill.

Clause 13

Role of Electoral Commission

Question proposed, That the clause stand part of the Bill.

Mr Lidington: Clause 13 covers the role of the independent Electoral Commission in the administering of any future referendums held under the Bill. The clause would supplement the existing provisions of the Political Parties, Elections and Referendums Act 2000. The Neill committee originally suggested the establishment of such a commission to supervise the restrictions on spending by, and donations to, both political parties and third parties.

As I have explained, we have not sought to disapply or replace any of the general provisions of PPERA. There is, of course, nothing to prevent Parliament doing

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so in any legislation that might be needed for a referendum in future, in order to reflect the context and the circumstances in which that referendum would be held. Significantly, however, the Act contains no provision to confer on the Electoral Commission power to promote public awareness and understanding of the subject matter of referendums.

We feel that, as part of the Government's firm commitment to helping to rebuild trust and reconnect the British people to decisions made in their name on the European Union, it is important that the administration of any future referendum to be held under this Bill facilitate the understanding and clarity required to enable the British people to make informed decisions on whether or not to approve a treaty change or decision that would transfer power or competence from Britain to Brussels. Clause 13 provides that if a referendum is triggered under the EU Bill, the Electoral Commission has an obligation to take whatever steps it thinks appropriate to promote public awareness of the referendum and how to vote in it.

Mr David: I hear what the Minister says about an appropriate public debate and a high degree of awareness, but the clause states that the Electoral Commission

"may take whatever steps they think appropriate".

If the Minister thinks that public awareness is so important, why did he not ensure that the word "will" was used rather than the word "may"?

Mr Lidington: The Electoral Commission was rightly established as an independent body. I think it important for the Government not to issue instructions to it, and to be seen not to do so. Given that the commission's value to our political process is by virtue of its being a completely independent statutory body, I consider it right for us to give it these new powers without laying down rules requiring it to use them in a particular way. It is for the commission to make its own judgments. How it chooses to promote awareness is rightly a matter for it, but we are giving it a statutory duty to promote awareness before any referendum held under the provisions of the Bill.

Mr Nuttall: Perhaps I can help the Minister. Clause 13(a) says that the commission

"must take whatever steps they think appropriate to promote public awareness"

of the existence of the referendum, but

"may take whatever steps they think appropriate to promote public awareness of the subject-matter of the referendum."

I suggest to the Minister that that may mean giving appropriate amounts of money to the yes campaign and to the no campaign.

Mr Lidington: My hon. Friend's helpful intervention will probably have given some reassurance to the hon. Member for Caerphilly (Mr David).

We are seeking to encourage greater participation, and providing clarity so that the people know what they would be voting for regardless of which way they choose to vote. We are following the practice adopted for the North East assembly referendum in 2004, and the approach taken in the Parliamentary Voting System and Constituencies Bill.

If I may, I refer the hon. Member for Caerphilly to the 2003 enabling Act for the north-east regional assemblies referendum. It included clause 8, supplementary to PPERA, on "encouraging voting", and that—

10 pm

Debate interrupted (Programme Order, 7 December).

The Chair put forthwith the Question already proposed from the Chair (Standing Order No. 83D), That the clause stand part of the Bill.

Question agreed to.

Clause 13 accordingly ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 7 December.)

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

EUROPEAN UNION DOCUMENTS

Cotonou Agreement

Motion made, and Question put forthwith (Standing Order No. 119(11)),

That this House takes note of European Union Document Second Revision of the Cotonou Agreement–Agreement Consolidated Text March 2010 and supports this important revision of the key principles supporting implementation of the broader development agenda between the EU and the ACP countries.—*(Mr Vara.)*

Question agreed to.

RAF Leuchars

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

10.1 pm

Sir Menzies Campbell (North East Fife) (LD): I am glad to have the opportunity to initiate the debate on the future of Royal Air Force Leuchars, which lies near St Andrews in my constituency of North East Fife. A number of other hon. Members have indicated a wish to make short interventions, and I am happy that they should do so. In addition, I have the authority of the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) to say that he supports the campaign for the retention of the base.

I want to begin with the recognition of the professionalism and commitment of the men and women who serve at RAF Leuchars, who in recent weeks have endured a period of unnecessary anxiety. I particularly wish to pay tribute to those members of 111 Squadron, whose time at Leuchars will come to an end in March, and who have served the defence interests of the nation with distinction and effectiveness. The reason why I say "unnecessary anxiety" is this. I believe that the case for the retention of RAF Leuchars is overwhelming. In short, Leuchars is in the right place at the right time and doing the right job. Geographically, it is uniquely positioned to fulfil the responsibility for the air defence of the northern half of the United Kingdom, a responsibility which, even as we have this debate, it fulfils 24 hours a day. In particular, that responsibility now has to deal with the terrorist threat, which is recognised in the strategic defence review as a tier 1 threat, and therefore one against which the most serious precautions need to be taken.

Lindsay Roy (Glenrothes) (Lab): Does the right hon. and learned Gentleman agree that that contribution has been further strengthened by the £27 million investment in the runway, the designation of Leuchars as the home base for the Eurofighter Typhoon squadrons, and the excellent performance of the quick reaction alert force? In other words, RAF Leuchars is a strategic necessity for the effective defence of the UK.

Sir Menzies Campbell: I certainly agree with the hon. Gentleman, and I shall come to all the elements he referred to in a moment.

Why was Leuchars chosen? It was chosen to fulfil the responsibilities that the hon. Gentleman has just described, and because 80% of the Scottish population lives within 80 miles of Leuchars. Aircraft from RAF Leuchars can be over Edinburgh and Glasgow, the two major cities of Scotland's central belt, within a matter of a few minutes. Leuchars also has the capacity to protect the two most sensitive installations within that area: the nuclear power station at Torness, and the Trident submarine base at Faslane. But we would do wrong to consider that the responsibilities of Leuchars extend only to Scotland, because the arc of responsibility of this air defence base extends far into northern England—as far as Sunderland, some have said—covering substantial populated areas.

Jim Shannon (Strangford) (DUP): Is it not the right hon. and learned Gentleman's understanding that the coverage also extends as far as Northern Ireland? I believe that it does, but perhaps he could give confirmation.

Sir Menzies Campbell: I have been approaching this matter on the basis of the speed of deployment within certain arcs. I understand that the approach is to take the base as the centre and then draw a circle, but there is no doubt that, because of its operations over the sea, there may well be occasions when RAF Leuchars would be deployed for the purpose of protecting interests in Northern Ireland.

I have heard no strategic argument for the closure of RAF Leuchars. The strategic case for its retention is exactly the same as the strategic case for its selection for the role that it now plays. It has been chosen to be the home of three Typhoon squadrons, one of which, 6 Squadron, is already in place there. The case stood up on 6 September, a few days before one of the last surviving air shows, which drew a crowd of some 50,000 people. That made it the second largest non-sporting event in Scotland—the largest is a rock festival entitled T in the Park. The fact that 50,000 people are able to go and want to go is a reflection, of course, on the base's geographical position adjacent to the main centres of population.

RAF Leuchars was chosen for its role because it has ready access to training areas over land and over the North sea. It was chosen because the local weather—its particular climate—is very suitable for flying operations. As the hon. Member for Glenrothes (Lindsay Roy) said, Leuchars has been chosen to perform two essential components of the quick reaction alert, or QRA. The first is to protect northern Britain from unwelcome and illegal intrusion into United Kingdom airspace, which it is called upon to do on an almost regular number of occasions as other air forces seek to determine the state of readiness of the Royal Air Force to defend the UK's airspace.

The second part of the QRA is the duty that RAF Leuchars has to protect us from terrorist attack from the air and stop any malign effort to do damage to the fabric or population of the United Kingdom. Only a few years ago that possibility would have been thought so remote as not to be regarded but, unhappily, it now has to be given more serious consideration because of the attack on the twin towers and its consequences.

RAF Leuchars was chosen, therefore, because the established strategic considerations were favourable, and they remain so. It was chosen because the fact that 80% of the Scottish population live within 80 miles demonstrates that it provides the immediacy of protection required. As 111 Squadron, to which I have referred, comes to the end of its service at Leuchars, 6 Squadron will take over. The 111 Squadron has been flying the Tornado F-3, an aircraft that has given us valiant service since its introduction. It is to be replaced by the Typhoon, formerly the Eurofighter, the most modern and up to date of aircraft available to the Royal Air Force.

Stewart Hosie (Dundee East) (SNP): The right hon. and learned Gentleman is making an extremely strong case for the retention of Leuchars, which the Scottish National party supports. May I ask him to ensure that we do not allow the Government to play Lossiemouth off against Leuchars and to make the case for the retention of all the capacity we have and against the overall reduction of the RAF footprint in Scotland?

Sir Menzies Campbell: I am an advocate for my constituency, but I am also an advocate for the proper disposition of defence installations throughout the whole of Scotland. As the hon. Gentleman knows, when there have been occasions at Lossiemouth and opportunities for joint political action in Scotland, the leader of the Liberal Democrats in Scotland, Tavish Scott, has been present. The hon. Gentleman allows me to make another point, which is that the case for Leuchars and its retention is supported by members of all political parties and of none. I shall refer to that a little further when I come to discuss the impact on the local community. As 111 Squadron, flying the Tornado, has disbanded, 6 Squadron, flying the Typhoon, will take over. It is already fulfilling the responsibilities of the quick reaction alert. At new year, one of the Typhoons had to be scrambled to fulfil the obligation of the QRA. Between them, the two squadrons are working up to the point at which 6 Squadron will resume responsibility and 111 Squadron will stand down.

Leuchars is also a centre of defence excellence. Apart from 6 Squadron and 111 Squadron, it houses 71 TA Engineer Regiment—I know that will interest you, Mr Deputy Speaker, because of your interest in the Territorial Army—58 Squadron RAF Regiment, 612 Auxiliary Surgical Squadron, recently back from Afghanistan, the Universities Air Squadrons in Scotland, the air cadets and mountain rescue. Shortly, in March 2011, No. 6 RAF Force Protection Wing will accompany 58 Squadron to Afghanistan. I take this public opportunity to wish them Godspeed and a safe return.

Of course, the speculation has brought about great uncertainty in the local community. An economic impact study is in the course of being prepared by Fife council and I understand that it might be published within the next few days. I shall ensure that the Minister receives a copy hot off the press. We all know that the closure of any base has an impact, but let me illustrate the nature of the impact to which the closure of Leuchars might give rise. In the Leuchars primary school, more than 80% of the children come from RAF families, and in the nearby village of Guardbridge, a substantial percentage of the children are also from RAF families. There is a long history and tradition of integration between the base and the local community, with a heavy accent on charitable activity, all of which helps to create a bond of friendship and respect between community and base. A new community centre has recently been opened outside the wire so that it can be available to both military and civilians. I had the honour to open it in October of last year. A little more mundanely, but of great practical assistance, during the recent snowstorms, personnel from RAF Leuchars were deployed to Edinburgh to help to clear the environs of hospitals so that patients and ambulances could gain easier access.

The arrival of 6 Squadron did not take place without some consequences, which are to be found in the costs. As the hon. Member for Glenrothes said, the runway has been resurfaced. A new building programme has nearly been completed and I saw evidence of that on Monday when I visited the base in the company of my right hon. Friend the Secretary of State for Scotland. Reasonable estimates are that some £40 million has been spent on RAF Leuchars in recent years and as part of these preparations. In addition, there is intensive training not only for air crew but for engineer and ground support. Leuchars is also to be subject to additional investment in information technology for the purpose of improving communications, which are so essential to the successful deployment of military force.

Ministers have consistently said that decisions about Royal Air Force bases will be made on sound defence principles. I have asked myself, and I ask the Government, what sound defence principle justifies reversing the recently made and paid for decision to deploy three squadrons of Eurofighter Typhoon at Leuchars, confirming Leuchars as an essential component of the UK's air defence? That responsibility has for many years been fulfilled from that base with professionalism, commitment and distinction. I have an alternative principle to offer the Ministry of Defence: if it's not broke, then don't fix it.

10.15 pm

Thomas Docherty (Dunfermline and West Fife) (Lab): I thank the Minister and the right hon. and learned Member for North East Fife (Sir Menzies Campbell) for giving me a short time to make additional comments. I congratulate the right hon. and learned Gentleman on securing the debate. He has been a long-standing champion of both the community and the military in Fife. He is respected a great deal on both sides of the House for his tireless work. He has mentioned the cross-party support that exists in Fife and Tayside, and it is comforting that Members from both sides of the House and from across the water are present.

I echo the right hon. and learned Gentleman's comments about the vital role that servicemen and women continue to play at home and overseas at this very difficult time. The Minister will recall that when we had a similar debate in November on the future of RAF Marham, I counselled Members on both sides of the House to conduct the debate in a sensible and considered manner so that we did not end up with communities being pitted against one another. The right hon. and learned Gentleman has done a superb job of articulating his case without seeking to disparage the case of another base that might be under threat.

The Minister will be aware of the concern among Members of all parties that there is some confusion about the Government's thinking and the priorities that might be afforded to decision making. The Chief Secretary to the Treasury has suggested that decisions might be made on a socio-economic basis, the Prime Minister and the Chancellor have said that the decisions will be financial and the Minister and the Secretary of State have said they will be defence-driven. I hope that the Minister will give some clarity as to the weighting that will be given to each of those categories.

The Minister will also be aware, as I am sure are you, Mr Deputy Speaker, of the Opposition's proposals to place the base closure programme on to a statutory footing in the Armed Forces Bill. I do not seek to rehearse the arguments that the hon. Member for North Wiltshire (Mr Gray) and I had on that Bill's Second Reading, except to say that all the communities up and down the UK under some threat of base closure would benefit if the Government accepted an amendment to the Bill that would provide a transparent and clear process. It would be helpful if the Minister could outline tonight the Government's latest thinking on whether they are prepared to accept such an amendment.

My final question for the Minister is about the continued uncertainty, which the right hon. and learned Gentleman has mentioned, about the time scales for the decision-making process. There was a rather regrettable incident before Christmas in which a Scottish newspaper seemed to have acquired fairly coherent information about decisions that might have been made. Hon. Members will recall the Standing Order 24 debate that we had about that. It would help if the Minister outlined what the timetable for any such decision will be. Will he also guarantee to do all in his power to ensure that the communities affected, rather than media outlets, will be the first to know?

10.19 pm

The Minister for the Armed Forces (Nick Harvey): I commend my right hon. and learned Friend the Member for North East Fife (Sir Menzies Campbell) for initiating this debate on the future of RAF Leuchars which, as the House will understand, is a subject of great importance to his constituency and more widely. My right hon. and learned Friend knows Leuchars very well, and I hope that during his visit yesterday with the Secretary of State for Scotland he saw once more what a fantastic job our personnel are doing.

I put on record my thanks to all those who work at RAF Leuchars and to the local community who have, over the years, given such strong support to the station, the RAF and the nation. I know this support is appreciated by all who are serving at the base.

RAF Leuchars has a long and honourable history. Aircraft from Leuchars have policed UK airspace for nearly 60 years, demonstrating the ability to intercept unidentified aircraft and thereby provide an effective deterrent. Given RAF Leuchars' history and contribution to defence, it is understandable that my right hon. and learned Friend has spoken so passionately about its retention, both here in Parliament and in representations to me and to the Secretary of State.

In October, we published the strategic defence and security review, which was based on two clear priorities: supporting our mission in Afghanistan and setting the path to a coherent and affordable defence capability in 2020 and beyond. This took place against the Government's clear determination to address the unprecedented fiscal deficit that we inherited. Every Department has had to make a contribution, and the Ministry of Defence is playing its part, but because of the priority that we place on security, the defence budget is making a more modest contribution to deficit reduction than many other Departments. Even so, this has regrettably meant tough decisions. It is painful, but we have to make sacrifices to get the economy and the defence programme back on track.

Our fleet of Harrier and Tornado air defence and ground attack aircraft have performed magnificently over 30 years, but those aircraft risk becoming outdated as threats continue to become more varied and sophisticated, and maintenance of the fleets will become an increasing challenge, so the decisions to retire the Harriers and to reduce the number of Tornados were difficult, but we have to focus resources where they are most needed now—in support of our current operations.

The RAF plans to make a transition to a fast-jet force comprising the Typhoon and the joint strike fighter by the end of the decade. This makes both operational and economic sense. We know from our work on the SDSR that RAF Kinloss and two other bases will no longer be needed by the RAF. Public and parliamentary attention has focused on the consequences for Tornado ground attack bases at RAF Lossiemouth in Moray and RAF Marham in Norfolk, and the Typhoon and Tornado fighter base at RAF Leuchars.

Today, RAF Leuchars' mission is to deliver and maintain UK quick reaction alert (interceptor) north, concurrent with the growth of Typhoon, while supporting other military operations. The delivery of the northern element of quick reaction alert is RAF Leuchars' top priority and requires Typhoon and Tornado F3 fighter aircraft to hold high alert to scramble and intercept unidentified aircraft approaching UK airspace. RAF Leuchars is geographically well located for the delivery of QRA operations. However, it may be possible to mount northern QRA from another location. Lossiemouth and Leeming in north Yorkshire would be possible options.

As well as the support for RAF Leuchars offered by my right hon. and learned Friend this evening, I have had similar representations from the hon. Member for Moray (Angus Robertson) regarding RAF Kinloss and RAF Lossiemouth, and from my hon. Friend the Member for South West Norfolk (Elizabeth Truss) regarding RAF Marham. It is essential to stress once again to the House that a decision on which of these bases will no longer be required by the RAF should not be taken to mean that they will no longer be required for defence purposes. We are now taking forward work to analyse the basing and estate consequences of the SDSR in their entirety, and to develop a coherent plan for the future of the whole defence estate. This piece of work goes well beyond the bases directly affected by the SDSR. For example, the Prime Minister has announced our intention to accelerate the rebasing of the Army from Germany, which must also be taken into account, along with the greater efficiencies that must be made through broader estate rationalisation.

The Ministry of Defence will need to determine what makes the most sense for the structure of our armed forces, including where they are based, where they need to train and operate from and the need to ensure value for money for the British taxpayer. Contrary to media speculation, no matter how well informed Members might have believed it to be, no decisions have been taken on our future basing requirements beyond those I have outlined. It will take time to work out which bases we will retain and the uses to which they will be put.

We know that these are important decisions and that we must get them right. The Ministry of Defence has been clear, and I repeat, that we do not expect that work to be concluded for some time yet, but we hope it will be by the summer. I know and regret that that means uncertainty for the people and communities concerned, but we will not rush to a conclusion without deep and proper analysis. As the SDSR states, we will aim to do so in a way that is sensitive to economic and social pressures and the needs of our people and their families.

We also want to ensure that any decisions fully take into consideration the implications for Tornado personnel operating in Afghanistan over the coming year and for their families. We are consulting other Departments, the Scottish Government, local communities and relevant agencies, as appropriate, to manage the local impact of

[Nick Harvey]

our decisions. We must do further work to establish the detail of how to progress, but I am determined that at the end of the process the United Kingdom will have a coherent plan to deliver an estate that supports the capabilities we need to keep our people safe, meet our responsibilities to our allies and friends and secure our national interests.

As they were in the SDSR, our decisions have to be objective, unsentimental and based on the military advice we receive. I stress again that the military considerations are paramount among the factors that we will consider. We need to focus finite resources where they are most needed. We know that the RAF will be smaller and will inevitably need fewer flying stations. Although it will become leaner, we can maximise investment in new aircraft and also assure full support to current and contingent operations. The transition to the combined fast-jet fleet of joint strike fighters and Typhoon will certainly provide the RAF with world-class capability for the future.

Thomas Docherty: Will the Minister give way?

Nick Harvey: I think that I might be about to answer the point that the hon. Member for Dunfermline and West Fife (Thomas Docherty) wishes to raise. My right hon. and learned Friend has called on the Government to base our decisions on military necessity, the reality of the public purse and the socio-economic impacts on the areas affected, and I assure him that that is precisely what we will do. I have chosen carefully the order in which I put those criteria: the military considerations come first. They must be in line with economic considerations, but we are in no way immune to the wider impact that those decisions will have and, of course, and will listen to representations from Members from both sides of the House on the impact they will have on communities. All three factors will be taken into consideration. I think that that was the point that the hon. Gentleman wished to raise.

Thomas Docherty: I am grateful for the Minister's clarification. Am I correct in thinking that there is perhaps a fourth factor that should be seen as part of the whole discussion, which is the consideration given to what other uses the surplus bases could be turned?

Nick Harvey: The hon. Gentleman is absolutely right that the other military uses to which bases can be put are part and parcel of the decision making, but I think that he is wrong to view that as a fourth factor. They are absolutely part and parcel of the military considerations that will inform us first and foremost, and of the economic considerations that will flow from that. Indeed, they will have considerable socio-economic impacts on the communities in each case. The SDSR is a process that will transform our armed forces to meet the challenges of the future. That includes the defence estate. We will now press on with that work.

Question put and agreed to.

10.29 pm

House adjourned.

House of Commons

Wednesday 26 January 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Business Growth

1. **Mark Menzies** (Fylde) (Con): What recent steps he has taken to promote business growth and inward investment in Scotland. [35124]

The Secretary of State for Scotland (Michael Moore): Before I answer the question, may I pay tribute to Mr Phil Gallie, whose passing has sadly been announced this week? He served this House and his party well while he was here, and he went on to serve his party and his constituents with distinction in the Scottish Parliament. He did that rare but important thing—while a feisty defender of his party's positions on all sorts of things, he became popular across party lines. Our condolences go to his family.

Economic growth is at the centre of the Government's agenda for this Parliament, and I promote that agenda in my regular engagements with the business community in Scotland and the UK and with international partners.

Mark Menzies: May I join the Secretary of State in his condolences to the family of Phil Gallie, a fellow Ayrshireman and someone I knew well?

The Secretary of State mentioned the efforts to promote jobs. Will he update the House on what he has done to follow up on the visit of the vice-premier of China, in particular on the trade links between Scotland and China?

Michael Moore: A very significant part of the vice-premier's visit, which of course we welcomed enthusiastically here in the United Kingdom, was that he started it in Scotland. I had the great privilege of welcoming him to the UK on behalf of the Government. In the course of that visit, we in Scotland and the rest of the UK were able to see very clearly the opportunities for us to develop our plan to be partners for growth, whether in renewable energy or in many other spheres.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): May I add my condolences to those expressed to the family of Phil Gallie? He and I came into this place on the same day, and I have to say that he was more working-class than most Labour MPs are today, and a feisty fighter as well.

Does the Secretary of State think that inward investment to Scotland would be helped if Glasgow Prestwick airport were renamed Robert Burns airport?

Michael Moore: From one great defender of Ayrshire to another. The family will be pleased to hear the hon. Gentleman's tributes to Phil Gallie. As far as the hon. Gentleman's idea for the renaming of the airport is concerned, I am sure that those who make such decisions will have heard him.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): As the Secretary of State will know, the north-east of Scotland and Aberdeen is a powerhouse of the UK economy, providing much-needed tax revenues and inward investment. Crucial to the future of attracting inward investment is good communications technology. Will he meet me to discuss the barriers that mean that we have not yet seen the next generation of broadband reach Aberdeen and the north-east of Scotland?

Michael Moore: First, I agree with my hon. Friend about the importance of Aberdeen and the regional economy not just for Scotland but for the UK as a whole. He is right to emphasise that. I met senior business leaders in Aberdeen only a few weeks ago, and we discussed how they could develop growth. Broadband is an important part of that, and he will be aware of our plans to speed up the introduction of superfast broadband. I would be delighted to meet him to discuss the matter further.

Angus Robertson (Moray) (SNP): I associate myself and my colleagues with the condolences in relation to Phil Gallie's death.

Does the Secretary of State understand that thousands of individuals and businesses the length and breadth of Scotland are suffering because of rocketing fuel prices?

Michael Moore: I recognise that the increase in fuel prices is a real challenge for individuals and businesses, which is why the Government are looking carefully at ways in which we can tackle that issue, including proposals for a fuel duty stabiliser.

Angus Robertson: Two years ago the Liberal Democrats promised a rural fuel duty derogation. What specific action have the UK Government taken with the European authorities to secure that? Specifically, has a formal request been made to the European Commission to make it possible?

Michael Moore: Referring to the hon. Gentleman's earlier point, it is important for Scotland and the whole UK to get a fuel duty regime that reflects the challenges that exist, particularly in rural parts of the country. On the derogation specifically, he will be aware that the Government are working very hard to ensure that we can get the right processes in place in Europe, so that we get the pilot up and running as quickly as possible.

Mr Alan Reid (Argyll and Bute) (LD): I welcome the Government's moves towards a lower rate of fuel duty for the islands, but under the plans that they inherited from the Labour Government, fuel duty is due to go up by more than 4p a litre in the Budget. The rural economy could not stand such an increase, so I hope that the Secretary of State will tell the Chancellor not to go ahead with Labour's 4p increase.

Michael Moore: I know the particular challenges in my hon. Friend's area, where some of the highest fuel prices in the whole country can be found. His representations to me and to the Chancellor are carefully noted, and of course the decision on the future of fuel duty will come in the Budget.

Ann McKechin (Glasgow North) (Lab): Good transport links to other parts of the UK are vital for the Scottish economy. As the Secretary of State is aware, I wrote to him and to the Secretary of State for Transport on Monday last week to express my concerns about reports that bmi is about to axe its Glasgow-Heathrow service, which will put more than 100 jobs at risk. To date, I have had no reply from either him or his colleague. Will he inform the House today what steps he and his Government are taking to persuade both bmi and BAA to save that vital transport connection?

Michael Moore: I recognise the hon. Lady's concerns, which are shared by people not just in Glasgow, but across Scotland. I have spoken to senior managers both at bmi and BAA, and it is clear that they have some very difficult contractual arrangements as a result of the review of landing charges at Heathrow. I am keen that they recognise—I impressed this upon them—the importance of those links to Glasgow and to Scotland.

Ann McKechin: I am grateful for the Secretary of State's response, but given that there is increasing evidence that domestic air links between Scotland's major airports and the UK's largest airport might be substantially diminished, and the inevitable worries that increased fares will result if there is only one remaining carrier, will he undertake today to make contact with the EU, which is responsible for regulation, and ask it to consider possible changes better to protect strategically important domestic air links, and to ensure better competitive practices to protect Scotland's economy and our customers?

Michael Moore: If I may be forgiven, I am not sure that I remember the previous Labour Government doing that. I do not want us to lose sight of the fact that Glasgow, Edinburgh and other major Scottish cities have a range of links to different London airports—substantial links that we want to be enhanced and to grow. The issue that the hon. Lady raises is obviously one of concern, and the Government will continue to discuss it with the parties involved.

Calman Commission

2. **Iain Stewart** (Milton Keynes South) (Con): What progress the Government have made on implementation of recommendations of the Calman Commission on Scottish Devolution; and if he will make a statement. [35125]

6. **David Mowat** (Warrington South) (Con): What progress the Government have made on implementation of recommendations of the Calman Commission on Scottish devolution; and if he will make a statement. [35129]

The Secretary of State for Scotland (Michael Moore): The coalition agreement contained a commitment to implementing the recommendations of the Commission on Scottish Devolution, which is also known as the Calman commission. The Government introduced the Scotland Bill on 30 November—St Andrew's day—2010. The Bill will have its Second Reading in this House tomorrow and I look forward to hon. Members taking part in the debate.

Iain Stewart: I very much welcome the provisions in the Scotland Bill to make the Scottish Parliament more fiscally accountable, but can my right hon. Friend give me an assurance that the business community on both sides of the border will be fully consulted about the implementation of the tax powers, so that it does not suffer an undue administrative burden?

Michael Moore: I welcome my hon. Friend's comments—I know that he has more than a passing interest in those particular powers. I can give him absolutely the assurance that he wants. Through the high-level implementation group, which brings together experts from a range of bodies, and Her Majesty's Revenue and Customs technical groups, we are consulting very carefully and taking on board all the comments being made.

David Mowat: Calman acknowledged that the Barnett formula no longer reflected need. As a consequence, constituencies such as mine—Warrington South—receive many millions of pounds per year less than equivalent constituencies in Scotland. Does the Minister have any plans to amend the Scotland Bill to put the allocation on to a basis of need?

Mr Speaker: All I will say to the Secretary of State is that that question is very wide of the considerations of the Calman commission, and I feel sure that he will be dextrous enough to provide an orderly reply.

Michael Moore: The answer is no.

Mr Speaker: I am confirmed in that view.

Stewart Hosie (Dundee East) (SNP): The problem is that the recommendations of the Calman commission are not being implemented—they are not in the Scotland Bill. The proposal on the aggregates levy, the proposals for the devolution of the marine environment and the proposal on air passenger duty have all been abandoned. Is that a lack of imagination on the part of this Government, or merely a lack of ambition for Scotland?

Michael Moore: We certainly do not lack ambition for Scotland. We have a set of proposals that are being thoroughly scrutinised in the Scottish Parliament, and from tomorrow, they will be scrutinised in the House as well. As far as the specifics are concerned, the hon. Gentleman will be aware that, in respect of the aggregates levy, we have said that given the current court case, it is inappropriate to devolve that just now, but we will do so in future. I recommend that he goes back to the Command Paper and studies it carefully.

Value Added Tax

3. **Gordon Banks** (Ochil and South Perthshire) (Lab): What recent discussions he has had with the Chancellor of the Exchequer on the effect in Scotland of the increase in the basic rate of value added tax. [35126]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): May I associate myself with the Secretary of State's comments on Phil Gallie? Phil was a true, great Conservative in Scotland.

I have regular discussions with the Chancellor of the Exchequer on a range of issues. The VAT rise is a tough but necessary step towards Britain's economic recovery. Income tax and national insurance increases would have had a more damaging impact on poorer people in our society.

Gordon Banks: Almost half the respondents to a recent survey by the Federation of Small Businesses said that they would increase prices because of the VAT rise, and 45% of those respondents said that the rise would decrease turnover and have an obvious impact in hindering job creation and growth. How can the Secretary of State and the Minister continue to sell out the people of Scotland and support this abysmal tax rise?

David Mundell: How can the hon. Gentleman continue to fail to take responsibility for his Government's record, which took our country to the brink of bankruptcy and required the VAT rise to fill the black hole? If anyone is responsible for the issues that Scottish business currently faces, it is his Government.

Business Confidence

4. **Fiona Bruce** (Congleton) (Con): What assessment he has made of recent trends in business confidence in Scotland. [35127]

7. **John Stevenson** (Carlisle) (Con): What assessment he has made of recent trends in business confidence in Scotland. [35130]

9. **Mike Freer** (Finchley and Golders Green) (Con): What assessment he has made of trends in business confidence in Scotland. [35132]

The Secretary of State for Scotland (Michael Moore): Returning the UK to sustainable economic growth is the Government's overriding priority. The Government are doing everything they can to create the conditions that enable all businesses to be successful and create more jobs.

Fiona Bruce: Business organisations have welcomed the Government's plans to reduce the headline rate of corporation tax and simplify the tax system. Does the Secretary of State agree that cuts are vital for boosting enterprise?

Michael Moore: I welcome my hon. Friend's comments and reinforce the points made by my hon. Friend the Under-Secretary a moment ago. The priority for economic growth in this country is to cut the deficit of £155,000 million that we inherited from Labour. Cuts in corporation tax, reducing the national insurance burden and keeping interest rates low are important parts of the package.

John Stevenson: Given the over-reliance on the public sector in Scotland, does the Secretary of State agree that the Scottish Government should be following the policies of the national Government by encouraging private sector investment and ensuring a balanced economy?

Michael Moore: We certainly believe that the private sector has a central role to play in returning us to sustainable growth in this country, whether in Scotland or the rest of the United Kingdom. The Scottish Parliament debates the Scottish Government's budget this afternoon and no doubt some of these points will be made in that debate.

Mike Freer: Is the Secretary of State worried that the Scottish Government's plans to introduce a business surcharge will damage business confidence?

Michael Moore: The Scottish Government have received serious representations on their proposals, and I am confident that those will be debated extensively this afternoon.

Mr Frank Roy (Motherwell and Wishaw) (Lab): A double dip in the housing market in Scotland would be a disaster for the country. What discussions has the Secretary of State had with Scottish banks about more flexible lending?

Michael Moore: The hon. Gentleman will be more familiar than most with the situation that we inherited, in which bank lending—to businesses or to householders—was not in a good state. We are determined to increase the amount of lending and I have regular discussions with the banks on a range of issues. This issue is a central part of those discussions.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Does the Secretary of State accept that business confidence will have been extremely dented by yesterday's appalling growth figure announcements? Does he now accept that the Government's cuts go too far, too fast, and will the Government now pull back from this reckless course?

Michael Moore: I recognise that yesterday's growth figures were very disappointing. We have said for months that the recovery would be choppy. There are special circumstances about the weather in yesterday's announcement, which she will be aware of, but if we do not tackle the deficit, introduce measures to help businesses to grow or invest in infrastructure and science funding, we will not get the recovery from the situation that we inherited from the Opposition.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): In the Secretary of State's last answer, he referred to investment in infrastructure. He will know, from the Scottish business organisations that are in London today to appear before the Select Committee, that an important part of increasing confidence is having the right transport links and access to markets. Given that, and the future of the Secretary of State for Wales notwithstanding, will the Secretary of State clear up the confusion on his position on High Speed 2 and its extension to Scotland? I know from the discussions a couple of weeks ago that people from Glasgow and Edinburgh are slightly confused about where he stands. Can he clear this up and put on the record his support for High Speed 2 being extended to Edinburgh and Glasgow for the future of the economy of the whole UK?

Michael Moore: I would not accuse the hon. Gentleman of wilfully misinterpreting the outcome of that particular meeting. I was pleased to arrange the meeting between the leaders of Glasgow and Edinburgh councils and my right hon. Friend the Secretary of State for Transport, who is sitting on the Front Bench. I am a passionate supporter of high-speed rail coming to Scotland, as is my right hon. Friend and the rest of the Cabinet.

Tuition Fees

5. **Pete Wishart** (Perth and North Perthshire) (SNP): What assessment he has made of the likely effect on universities in Scotland of the increase in the maximum fees chargeable by universities in England. [35128]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Education is devolved, and the hon. Gentleman will be aware that the Scottish Government are currently consulting on the future of higher education in Scotland. The UK Government are developing a White Paper on higher education in England that will fully consider the effect of their proposals on higher education in the devolved Administrations.

Pete Wishart: I am grateful to the Minister for that answer, although it was not quite an answer to my question. He will know, as I do, that the tripling of university fees in England will bring nothing but pain and misery to Scottish universities and Scottish students, whether in funding or support for students, or through the intolerable pressure on the Scottish Government to respond. What does he have to say to the university students who will suffer so much because of the appalling decision made by his party and the Scottish Liberals?

David Mundell: Higher education in Scotland is devolved. The UK Government are taking account of the impact of their policies in Scotland, but I tend to agree with Sir Andrew Cubie when he said that the Scottish Government were behind the curve in responding to the Browne report and bringing forward their own proposals. They are followers, not leaders. *[Interruption.]*

Mr Speaker: Order. There is a constant hubbub in the Chamber. People outside must think that it is extremely discourteous.

Mr Charles Kennedy (Ross, Skye and Lochaber) (LD): The Minister should be aware that what is not devolved are decisions on research funding—decisions that are arrived at here in Westminster and which will have an impact, not least for those Russell group universities in Scotland. Will he give us an undertaking that he will ensure that the Secretary of State for Scotland stays closely in touch with Mike Russell's all-party working group at Holyrood, so that whatever the political composition after May, we get an outcome for Scottish universities that does not replicate the errors of policy judgment that have sadly been arrived at here?

David Mundell: I am happy to give my right hon. Friend an undertaking about the Scotland Office liaising with the relevant Scottish Parliament committee, and also to assure him that the Scotland Office works closely with Universities Scotland on all issues affecting universities in Scotland.

Bank Bonuses

8. **Anas Sarwar** (Glasgow Central) (Lab): What discussions he has had with ministerial colleagues on the level of employee bonuses to be paid by banks based in Scotland. [35131]

12. **Eric Joyce** (Falkirk) (Lab): What discussions he has had with ministerial colleagues on the level of employee bonuses to be paid by banks based in Scotland. [35135]

The Secretary of State for Scotland (Michael Moore): With permission, Mr Speaker, I will answer Questions 8 and 12 together. I have regular discussions with ministerial colleagues on a range of issues. As the predominant shareholder in RBS, the Government expect the bank to be a back-marker and not a market leader on bonuses. People across the country are having to make adjustments as we come out of recession and repair our public finances. Everyone expects bankers to be part of this process.

Anas Sarwar: Given that the Financial Services Authority report found that 1.1 million customer complaints were made against RBS in one year and that more than 50% were shown to have been dealt with inappropriately, does the Minister think it appropriate for RBS executives to receive lavish bonuses this year, and if not, what is he going to do about it?

Michael Moore: As we have made clear, we have inherited an arrangement with RBS that was put in place by the last Government—the hon. Gentleman's Government, not this one—to pay bonuses at market rates this year. We want to see bonuses lower this year than last year. That is absolutely clear-cut. As far as customer service is concerned, the hon. Gentleman makes an important point, and I am sure that RBS managers will have heard it.

Mr Speaker: Eric Joyce is not here.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): With the collapse of the Bank of Scotland and the Royal Bank of Scotland, does the Minister agree that an independent Scotland would be as successful as Ireland and Iceland at the moment?

Michael Moore: The hon. Gentleman makes an astute point as ever.

Driving Standards Agency

10. **Mr Mike Weir** (Angus) (SNP): What recent discussions he has had with the Driving Standards Agency on its operations in Scotland. [35133]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): I have had no such discussions with the agency. However, the hon. Gentleman will know from the Westminster Hall debate that he secured on the proposed closure of Arbroath and Forfar driving test centres that the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning) has agreed to look further into the arrangements surrounding driving test centre closures.

Mr Weir: The Minister is obviously aware that local driving test centres in rural areas such as Angus are being closed without any consultation whatever, with services moved to multi-purpose test centres. Does he accept that this is an unacceptable way for a Government agency to act? Will he press the Secretary of State for Transport, who I notice is sitting two along from him on the Front Bench, to impose a moratorium on closures until, at the very least, there is adequate consultation with local communities before the removal of such important services?

David Mundell: I commend the hon. Gentleman for his diligence in pursuing this issue, as he also did in his Westminster Hall debate. He knows that the Transport Minister took away the issues that he raised in that debate and agreed to look into them.

Energy Industries

11. **Mike Crockart** (Edinburgh West) (LD): What assessment he has made of the effects of the outcomes of the recent state visit to Edinburgh and London of the vice-premier of the People's Republic of China on the renewable and low-carbon energy industries in Scotland. [35134]

The Secretary of State for Scotland (Michael Moore): China and the United Kingdom are key partners for growth in the future. This visit was another positive step in strengthening relationships, and it confirms Scotland's reputation as a world leader in the continuing development and application of the new technology that helps to deliver clean green energy globally.

Mike Crockart: I thank the Secretary of State for his answer. Does he agree that investment worth £6 million in Scottish companies by the largest energy consumer in the world will provide a perfect showcase for the benefits of green technology? Does not the fact that Edinburgh seems set to see the creation of a renewable energy cluster in Leith docks further the case for the city to be the location for the new green investment bank? *[Interruption.]*

Mr Speaker: Order. There is far too much noise in the Chamber. That is unfair on the hon. Member asking the question, and on the Minister answering it. It also sends out a very bad signal to those listening to our proceedings.

Michael Moore: Thank you, Mr Speaker.

On my hon. Friend's first point, may I just emphasise what I said earlier, which was that the vice-premier was very impressed by what he saw of Scotland's renewable energy sector when he visited Edinburgh, and not only by the presentations that he saw about the country's potential but specifically by seeing the Pelamis factory in Leith? My hon. Friend also makes a strong and compelling case for the green investment bank, and we will announce details of that shortly. We look forward to making an announcement about its location at an appropriate moment.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I welcome the support that the Secretary of State has given to the establishment of the green investment bank headquarters in Edinburgh. Given that leading economists have said this morning that Scotland faces an even greater danger than the rest of the UK of a double-dip recession, does he accept that the decision on the location of the bank should be taken sooner rather than later? We want it to be set up so that we can have the advantage of the jobs that it will bring now, not in three or four years' time.

Michael Moore: Unlike the previous Government, we have actually made a firm commitment to the green investment bank, and we intend to deliver on that. We will be making further announcements on the detail as soon as possible.

Devolved and Reserved Powers

13. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What recent representations he has received on the boundaries between devolved and reserved policy matters; and if he will make a statement. [35136]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Commission on Scottish Devolution was established to look into this issue, and we are taking forward recommendations of the commission in the Scotland Bill.

Miss McIntosh: Will my right hon. Friend take the opportunity to revisit the boundaries between reserved and devolved areas in farming matters? Does he believe that we in England could benefit from the way in which the common agricultural policy has been applied in Scotland?

David Mundell: The Calman commission looked at these issues across the full spectrum and determined that there was no need to make any changes in respect of agriculture, other than in certain aspects of animal health funding. *[Interruption.]*

Mr Speaker: Order. The House must come to order. I want to hear Mr Robert Halfon.

Scottish Parliament (Financial Accountability)

14. **Robert Halfon** (Harlow) (Con): What recent representations he has received from the Scottish Executive on the financial accountability of the Scottish Parliament. [35137]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The most recent such representations related specifically to the financial provisions of the Scotland Bill, received around the time of its introduction on 30 November 2010. Since May last year, Scotland Office Ministers have not received any representations from Scottish Ministers describing the detail or the estimated economic impact of any alternative proposals to deliver financial accountability to the Scottish Parliament.

Robert Halfon: On average, the Government spend about £7,000 a year per person in England, but they spend about £8,500 per person in Scotland. What comfort can the Minister give to my hard-pressed taxpayers in Harlow that their money is being spent wisely?

David Mundell: The Government understand that concerns have been expressed about the Barnett formula, but their priority is the stabilisation of the public finances. That is our priority for this Parliament.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): While the VAT rise was swift, we are still waiting for the rural fuel derogation in the islands. In my constituency, fuel costs £1.45 a litre, but I have information that, in the tiny Faroe Islands, the price is 94p a litre for diesel and £1.10 for petrol. The islands control their own fuel taxation. Should not Scotland, with 5 million people, have at least the powers of an island group of 48,000?

David Mundell: I would have thought that the hon. Gentleman would be pleased that we finally have a Government who are taking forward the issue of fuel prices in remote and rural areas and who are looking to hold a pilot in constituencies such as his to establish how exactly it would operate in practice.

Chinese Vice-Premier (State Visit)

15. **Mel Stride** (Central Devon) (Con): What the outcome was of the recent visit to Scotland of the vice-premier of the People's Republic of China; and if he will make a statement. [35138]

The Secretary of State for Scotland (Michael Moore): I had a very constructive meeting with Vice-Premier Li Keqiang, which builds on the existing relationship between our countries. As I said in response to an earlier question, China and the UK are key partners in growth for the future.

Mel Stride: While I welcome the commercial success of the Chinese deputy premier's visit to Scotland and recognise the importance of China having good relations with Scotland, does my right hon. Friend agree that it is most important for the Government to continue to press the Chinese Government on the issue of human rights and also to call for the prompt release of the Nobel peace laureate, Liu Xiaobo?

Michael Moore: I can reassure my hon. Friend that in the course of the extensive visit by the vice-premier, we not only focused on our important commercial ties and developing our partnership for growth, but took the opportunity to have an ongoing dialogue about human rights and other issues. We will continue to do that—and I believe we will be successful.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [35931] **Mr Gregory Campbell** (East Londonderry) (DUP): If he will list his official engagements for Wednesday 26 January.

The Prime Minister (Mr David Cameron): I am sure the whole House will want to join me in sending our deepest condolences to all those affected by the appalling terrorist attack in Moscow on Monday. Our thoughts should be with the families of all those killed and injured, but especially with the family of Gordon Cousland of the United Kingdom. I spoke to President Medvedev on Monday evening and offered him our complete support in ensuring that the terrorists should never be allowed to win.

This morning, I had meetings with ministerial colleagues and others, and in addition to my duties in the House, I shall have further such meetings later today.

Mr Campbell: On behalf of my colleagues, I wish to join in the tribute that the Prime Minister has paid. We would also wish to send our best wishes to a soldier from Northern Ireland who was injured in Afghanistan last week.

Every week, £600 million in fuel duty flows into the Treasury from hard-pressed motorists right across the United Kingdom. That is £600 million each week since the Prime Minister said that a fuel duty stabiliser was

"a sensible, balanced policy that protects families from big increases in the oil price."

He has talked about a fuel duty stabiliser; he has promised it; he has answered questions on it—so when is he going to introduce it?

The Prime Minister: I do not believe in making tax changes outside a Budget, which is the proper way we do things in this country. There is a strong case for looking at this area, because I want to see a situation where, when oil prices rise, we try to help motorists and share the burden with them. The hon. Gentleman quite rightly reminded me of something I said, so perhaps I can remind him of something he said, as he stood on a manifesto that emphasised the need to "reign back public spending" and stated:

"A key priority of the next Government must be reducing debt".

I agree with that.

Esther McVey (Wirral West) (Con): I am delighted that the Government's new enterprise allowance will be announced and will begin in my home area of Merseyside on Monday. Will not initiatives like that that spark enterprise and start businesses in some of the most deprived parts of the country?

The Prime Minister: My hon. Friend is right. I hope that Labour Members will encourage people to start up businesses and get enterprise going, as it is a private sector-led recovery that this country needs. We should also give special help to areas such as hers, which I visited recently, to try to ensure that we do everything to help growth in Merseyside and improve the prospects of the Atlantic gateway—a very exciting prospect for her area and for everyone who lives and works on Merseyside.

Edward Miliband (Doncaster North) (Lab): I join the Prime Minister in sending deepest condolences to the families of those killed in the bombing at Moscow airport. Our thoughts are particularly with the fiancée, family and friends of Gordon Cousland.

Will the Prime Minister explain to the House what, in his view, is the cause of yesterday's disappointing growth figures?

The Prime Minister: First, they are disappointing growth figures—and they are disappointing even excluding what the Office for National Statistics says about the extreme weather. The point I would make is that this country has a very difficult economic situation for two main reasons. First, we have the biggest budget deficit in Europe, and we have to get to grips with it, which is difficult. Secondly, we had the biggest banking boom and the biggest banking bust anywhere in Europe, and we have to deal with that. As my right hon. Friend the Chancellor, the Governor of the Bank of England and I have all said, it is inevitable that, as we recover from those things, it will be choppy and it will be difficult. The worst thing to do would be to ditch our plans on the basis of one quarter's figures.

Edward Miliband: The Prime Minister has been going around for months saying that our economy is out of the danger zone. Only a month ago, he told the House:

"It is because Britain's economy is out of the danger zone and recovering."—[*Official Report*, 15 December 2010; Vol. 520, c. 901.]

May I ask him to confirm that? He said that if we set aside the bad weather, the figures were not good. In fact, if we set aside the bad weather, growth was completely flat. There was no growth in the last quarter of 2010: no growth at all.

The Prime Minister: That is exactly what the figures show, yes.

The right hon. Gentleman asked about the danger zone. The point that I would make is this. Britain is no longer linked with countries such as Greece, Ireland and Portugal. Everyone was clear about the position before the last election. The Institute of Directors, the Confederation of British Industry and the Governor of the Bank of England all said that there was no credible plan to deal with the deficit.

If you do not deal with your debts, you will never have growth. That is the truth, and the right hon. Gentleman knows it.

Edward Miliband: The Prime Minister does not get it. If you do not have growth, you will never cut the deficit. That is what we saw in the last quarter of 2010.

As millions of families and businesses are worried about their livelihoods and see unemployment rising, inflation rising and growth stalled, what the country wants to know from the Prime Minister is whether he is going to change his strategy in any way in order to get the economy moving.

The Prime Minister: What we need to do in our country is get the deficit down, and at the same time do everything that we can to encourage growth. Let me read to the right hon. Gentleman what the head of the OECD said about the British economy, because I think that it is absolutely vital. He said:

"the UK was exceptional in terms of its needs of fiscal consolidation because the deficit had gone completely out of control."

He also said:

"I think dealing with the deficit is the best way to prepare the ground for growth in the future. In fact, if you don't deal with the deficit you can be assured that there will not be growth because confidence will not recover."

This man, who is entirely independent and in charge of the OECD, is giving us good advice, and I advise the right hon. Gentleman—as he has a new shadow Chancellor and can make a new start—to follow it.

Edward Miliband: The difference is that when we left office the economy was growing. Now the Prime Minister is in office, and it is not.

I have a very specific question to ask the Prime Minister. He has already made clear his decision on VAT, but he still has a choice to make about whether to go ahead with the decision to take another £20 billion out of the economy this year when the recovery is fragile. Is he telling the House and the country that he is determined to go ahead, irrespective of the figures and irrespective of what people up and down the country are feeling?

The Prime Minister: We have now heard what I think we are going to hear a lot more of: the theory that there was a golden inheritance from the Labour party. That is one of the most laughable propositions that I have ever heard put in the House of Commons.

We will not forget that we had the biggest budget deficit in the whole of Europe, and that we were spending £120 million every day just on the interest on that deficit. We inherited a situation in which, because of the regulation carried out by the right hon. Gentleman and the shadow Chancellor when they were in the Treasury, we had the biggest boom and the biggest bust in our banking system. We had a growth model that was based on uncontrollable boom in housing, uncontrollable boom in financial services, uncontrolled public spending, and uncontrolled immigration. We inherited a completely bust system from the two people who worked in the Treasury throughout the last Labour Government.

Edward Miliband: I suppose we can take it from that answer that the Prime Minister is not going to change course. He is not going to do anything to bring about growth in the economy. This is how out of touch he is. What people up and down the country are saying is that he is going too far and too fast with deficit reduction, and that that is what is inhibiting growth in this country.

The evidence shows that while cuts are being made in the public sector and while jobs are being lost in the public sector, jobs are not being created in the private sector. Why does not the Prime Minister, just for once, put his arrogance aside, and admit that he knows how to cut jobs but has absolutely no idea how he is going to create them?

The Prime Minister: The right hon. Gentleman has got to stop writing his questions before he comes to the Chamber and actually listens to the answer. He asks about changing course, and I have to say to him that he seems to have replaced a shadow Chancellor who did not understand Labour's programme with one who does not agree with it. He asks specifically about cuts next year. Let me just remind him that it is Labour's own plan for significant cuts in spending to start in April this year. He shakes his head, but that is his plan, which he is meant to be committed to. If he is now saying that that has all gone and Labour is just going to spend more and borrow more, he ought to tell us. As far as I can hear, his only plan is to borrow money we have

not got, to spend money on things we cannot afford, and not to do the work we need to do to sort this economy out.

Edward Miliband: I am surprised that the Prime Minister is raising personnel issues this week of all weeks, because who has made the right judgment, me, who appointed the shadow Chancellor, or him, who clung on to Andy Coulson for months?

When people listen to the Prime Minister they know what the right hon. Member for Haltemprice and Howden (Mr Davis) meant when he said that the Prime Minister and Chancellor

"don't have a sense of what a large part of the country"

feels. They are out of touch with people's lives, they are taking a reckless gamble, and what these figures show is that for millions of people up and down the country it is hurting but it is not working.

The Prime Minister: If it was such a good decision to have the right hon. Member for Morley and Outwood (Ed Balls) as shadow Chancellor, why did the right hon. Gentleman not appoint him in the first place?

Let me just make the point that the absolute key for this country and our economy is two things: we have to deal with our deficit; and we have to help deliver growth from our private sector. I think that the right hon. Gentleman should listen to what the Governor of the Bank of England said last night in his speech. *[Interruption.]* Perhaps Labour Members will want to listen to the Governor of the Bank of England, who said:

"The UK economy is well-placed to return to sustained, balanced growth over the next few years".

He said that this was partly as a result of the

"credible...path of fiscal consolidation".

He continued:

"the right course has been set, and it is important we maintain it."

I prefer the advice of the Governor of the Bank of England to that of the man sitting opposite.

Jacob Rees-Mogg (North East Somerset) (Con): Mr Speaker—*[Interruption.]*

Mr Speaker: Order. I wish to hear Jacob Rees-Mogg.

Jacob Rees-Mogg: Thank you, Mr Speaker.

Is not the lesson from the noble Baroness Thatcher that, when you have set an economic course, you should stick to it—"there is no alternative"?

Hon. Members: More!

The Prime Minister: My hon. Friend has a huge following in all parts of the House. The point he makes is important: it is that whatever your plans to encourage growth in the economy—we have the lowest corporate tax rate in the G7, we have abolished Labour's jobs tax, and we are investing in science and skills, all of which are necessary—without a plan to deal with the deficit, they are nothing.

Q2. [35932] **Ian Mearns** (Gateshead) (Lab): I think the Prime Minister would accept that he has had better weeks. He has lost the support of the CBI because he does not have a growth strategy; the economy has taken a highly predictable downturn; he has lost his Essex man; and I understand that there were forecasts of snow for the end of the week. Is there anyone remaining in the Government who still understands or is in touch with the concerns of ordinary people, whose jobs are under threat because of his policies?

The Prime Minister: The point I would make is that the CBI says very clearly that it is absolutely essential that we get to grips with the deficit. What it said at the time of Labour's last Budget was that there was not a credible plan; it believes that there now is a credible plan. This is not going to be easy. The Labour party is committed to cuts from April this year. This will not be easy, but it has to be done.

Q3. [35933] **Alok Sharma** (Reading West) (Con): The Conservative-Liberal Democrat coalition that has been running Reading borough council since last May has uncovered the fact that over the past 12 years the previous Labour administration spent £1.4 million of taxpayers' money funding the salaries of three full-time union officials. Does the Prime Minister agree that that is an inappropriate use of taxpayers' money and that full-time union officials should be paid for by union subscriptions?

The Prime Minister: My hon. Friend makes a very good point. It seems that in local government the Labour politicians pay the unions, whereas in national politics the unions pay for the Labour politicians. It is nice work if you can get it.

Q4. [35934] **Mr David Crausby** (Bolton North East) (Lab): The Government have switched the indexation of benefits and public sector pensions from the retail prices index to the lower consumer prices index, but when it comes to hiking up petrol, they continue to use the higher retail prices index. In the interests of fairness, how can the Prime Minister justify using the higher indexation for petrol? Should the Government not at the very least use one or the other?

The Prime Minister: I can give the hon. Gentleman one tip. Before writing the question, it is always good to work out one's own party's policy. The Opposition are now committed to increasing benefits by CPI rather than RPI. His party is backing our policy and is far from opposing it.

Q5. [35935] **Elizabeth Truss** (South West Norfolk) (Con): Recent work by the Nuffield Foundation has shown that Britain has the lowest proportion of 16 to 18-year-olds studying mathematics of any of our competitor countries in the OECD. Just as bad, we have a chronic shortage of maths teachers in our schools. What action are the Government going to take on this issue?

The Prime Minister: My hon. Friend makes a very good point. The Nuffield Foundation has produced an extremely worthwhile report on how badly we are doing with maths teaching and in terms of the number of people studying maths. We will be taking a series of steps to sort this out, which will be announced by my right hon. Friend the Education Secretary. One is to

expand Teach First, which is an excellent scheme to get graduates from our best universities into schools, and which, for the first time, will include primary schools. Many of them will be maths teachers. We also want to raise the bar for teachers as regards the qualifications they need to teach maths. That is vital in our country and my hon. Friend is right to highlight the issue.

Q6. [35936] **Graeme Morrice** (Livingston) (Lab): Last Friday, I visited my constituent Vera Gaskin at her Livingston home. Mrs Gaskin has hepatitis C, having contracted it in 1985 through a transfusion of contaminated blood. She had been diagnosed with Hodgkin's disease at the time. Of course, her situation is not dissimilar to that of the several thousands of people who also suffered due to the tainted blood scandal of the 1970s and 1980s. Sadly, many have passed away since. Obviously, I am aware of previous debates in the House on the matter and the statement by the Health Secretary on 10 January, but this does not bring closure to many victims and their families. Will the Prime Minister personally prioritise this matter, work with the devolved Administrations and introduce a proper compensation scheme, thus finally bringing justice to the innocent victims of this terrible tragedy?

The Prime Minister: I thank the hon. Gentleman for that question. He has had constituents come to him about this extremely difficult issue and I have had exactly the same experience in my constituency. Although previous Governments had put arrangements in place, there was a basic unfairness, particularly towards those who caught hepatitis C, because the evidence about what happens to people with AIDS and hepatitis C has changed over the years. I was pleased that my right hon. Friend the Health Secretary made the statement last week that we would increase what was being given to those suffering from hepatitis C. I am not sure that there is ever a level of payment that will bring closure for such an appalling accident, but I believe that the conditions in this country were different from those in other countries that campaigners often compare it with, such as the Republic of Ireland. I think we have the right answer.

Q7. [35937] **Mr Don Foster** (Bath) (LD): The mobility component of disability living allowance for people in care homes is being reviewed. Whatever improvements are made, will the Prime Minister assure me that disabled people in care homes will still have access to individually tailored mobility support, and that that will be, as the coalition agreement implies, at no extra cost to them or their families?

The Prime Minister: I am grateful for my right hon. Friend's question. The intention here is very clear: we want to ensure that the treatment of people in hospital is the same as the treatment of people in residential care homes in terms of the mobility component of DLA. That was behind the announcement we made, and that is what we want to make sure happens.

Mr Nigel Dodds (Belfast North) (DUP): The Prime Minister may be aware that one of the Members elected to this House has decided to emigrate, and he may want to chalk that up as one of his achievements. The hon. Member for Belfast West (Mr Adams) seems to be extremely embarrassed about applying for an office for profit under the Crown although he has shown no such embarrassment in profiting from his office in this House for many years at taxpayers' expense. When will the Prime Minister deliver on his pre-election pledge to hard-pressed taxpayers that he will abolish parliamentary money for parliamentary purposes going to those who do not fulfil their parliamentary duties?

The Prime Minister: First of all, just in case everyone has not caught up with the news, the right hon. Gentleman is quite right that the hon. Member for Belfast West has accepted an office of profit under the Crown, which is of course the only way to retire from this House. I am not sure that Gerry Adams will be delighted to be a Baron of the Manor of Northstead, but none the less, I am pleased that tradition has been maintained. On the very serious point that the right hon. Gentleman makes about allowances, in my view we should be aiming for all Members who are elected to take their seats in this House. That is what should happen and if some Members have a problem with what that entails, they ought to look at a remedy for that and should come and talk about it. That is the most important thing we could achieve.

Q8. [35938] **Karen Lumley** (Redditch) (Con): Will the Prime Minister join me in congratulating Vaynor first school in Redditch, where I am chairman of the governors, on having recently received a good Ofsted report despite the continual lack of fairer funding from the Labour party? Will he also welcome the extra funding that will be heading to Worcestershire schools, due to the pupil premium, totalling more than £3 million?

The Prime Minister: My hon. Friend makes a very good point, and I hope that everyone in the House will be able to welcome the fact, first, that the amount of spending per pupil will continue, even though we have a very tough and difficult situation in our country. Over and above that, there will be a pupil premium payment—something that the Labour party did not do in 13 years of being in power. This money will go to those from deprived backgrounds in schools all over our country, and not just in inner-city areas; as she says, her constituency will benefit. I think the whole House should celebrate that.

Mr Tom Watson (West Bromwich East) (Lab): The former investigating officer is now on the payroll of News International and three senior editors have been identified in relation to phone hacking—is it not time that another police force took over the inquiry? You have the status to make it happen, Prime Minister. What are you afraid of?

The Prime Minister: Let me be absolutely clear: phone hacking is wrong and illegal, and it is quite right that the Director of Public Prosecutions is reviewing all the evidence, which should be followed wherever it leads. I do not think it is necessarily fair to say that the police have not been active—after all, there have been prosecutions, convictions, and indeed imprisonments—but the law is quite clear and the prosecuting authorities should follow it wherever it leads.

Q9. [35939] **Mr James Clappison** (Hertsmere) (Con): Tomorrow is Holocaust memorial day—the anniversary of the day on which Auschwitz was liberated. Will my right hon. Friend join me in paying tribute to the Holocaust Education Trust and its work to ensure that the lessons of the holocaust are not forgotten?

The Prime Minister: I know that my hon. Friend speaks for the whole House when he raises the brilliant work that the Holocaust Education Trust does. I think this is a good time to pay tribute to the, sadly very few, holocaust survivors left. I had the huge privilege of meeting one, Trude Levi, yesterday in No. 10 Downing street. To hear the story of what those people went through, what they escaped, and in many cases what they had to go through even after they escaped, is truly humbling. We must never forget—not just because of what happened in Europe in the holocaust, but because too often there is genocide in our world today; we need to be permanently reminded of that fact.

Q10. [35940] **Mr Ian Davidson** (Glasgow South West) (Lab/Co-op): The Prime Minister, the Chancellor and the majority of the Cabinet grew up in secure worlds of economic wealth and privilege. Does the Prime Minister agree that today's young people face economic uncertainty and high youth unemployment? Is youth unemployment a price worth paying?

The Prime Minister: It never is—but youth unemployment has been a structural problem in our country for years. Under the previous Government, when the economy grew for many years, youth unemployment was worse at the end of that growth than it was at the beginning. Then, of course, it rocketed during the recession. We need a serious examination of how we can reduce the number of people who are not in education, not in employment and not in training. Rather than trading slogans across the House, it would be better to work out why the number has gone up in good times and in bad.

Q11. [35941] **Kris Hopkins** (Keighley) (Con): Unlike the NHS or my local council, a Sue Ryder hospice in my constituency, Manorlands, is not able to reclaim the VAT that it has paid. May I ask the Prime Minister to examine the issue and try to create a level playing field for health care charities?

The Prime Minister: I know this is an issue that many hon. Members care about deeply. We should all pay tribute to the hospice movement and what it does, working with our health service. It is important that we do everything we can to cut red tape and allow charities to thrive. Charities can and do reclaim some of their VAT, but in considering a bigger exemption such as my hon. Friend speaks about, we have to look at the consequences both for the state sector and the private sector, and their relationship with the voluntary sector, before we can take such a step.

Keith Vaz (Leicester East) (Lab): Will the Prime Minister join me in welcoming the visit of the Prime Minister of Bangladesh to the United Kingdom and to Parliament? Apparently, a few years ago, when she came to Prime Minister's questions, she was so impressed that she decided to institute it in Bangladesh. I am not sure whether she has changed her mind since. Can he give the House an assurance that he will continue to build on the strong bilateral links between Britain and Bangladesh?

The Prime Minister: I thank the right hon. Gentleman for his question. The Prime Minister is very welcome to Britain and also welcome to be watching our deliberations today. As the right hon. Gentleman says, whether she will go away feeling proud and excited by what the mother of Parliaments does on Wednesday at 12 o'clock is another question. She has already had a very good meeting with my right hon. Friend the Deputy Prime Minister. Relations between Britain and Bangladesh are good, and we need to expand them still further.

Q12. [35942] **Nigel Adams** (Selby and Ainsty) (Con): My constituents, Ben Oldroyd and Matthew Carr, are autistic and have Asperger's syndrome. They have asked for my help because they want to visit schools in the Selby district to speak to pupils and staff and give them their experience of living with autism and the challenges that they face with that condition. They have already received praise from the head of Brayton high school. Does my right hon. Friend agree that such an initiative could be extremely good news for schools and the teaching profession?

The Prime Minister: I thank my hon. Friend for his question, which raises an important point. We made good steps during the last Parliament, with the Autism Bill promoted by the now Secretary of State for Wales, my right hon. Friend the Member for Chesham and Amersham (Mrs Gillan), but there is a huge amount that can be done by people themselves to get a greater understanding of autism and Asperger's, not least because there is such a huge spectrum and such a big difference between the children suffering from those conditions. I am sure the work to which my hon. Friend refers is extremely worth while.

Dr Stella Creasy (Walthamstow) (Lab/Co-op): Last week the Prime Minister said something that I agree with: he said that we needed to do something about loan-sharking, so will he join me next week in supporting the motion to cut the cost of credit and support the poorest consumers in Britain with protection from those companies?

The Prime Minister: At the risk of building on what is clearly a blossoming friendship already, I will look carefully at what the hon. Lady says. On the issue of controlling loan sharks, one part should be encouraging credit unions. There is all-party support for that. Sometimes we have to be careful as we regulate that we do not drive out responsible operators and bring in loan sharks, so we must get the balance right. I will look carefully at what the hon. Lady is saying and perhaps get back to her.

Q13. [35943] **Jesse Norman** (Hereford and South Herefordshire) (Con): Last week the Public Accounts Committee found that the previous Labour Government had pushed through private finance initiative deals without offering any alternative, and often regardless of expense or value for money. The result has cost the taxpayer

billions of pounds too much. Does the Prime Minister share my view that there should now be a full investigation of why and how that happened?

The Prime Minister: I thank my hon. Friend for his question. The Public Accounts Committee can do a lot of that work by unveiling some of the appalling decisions that were made, which were just about off-balance-sheet accounting, rather than good value for money. I see the shadow Chancellor nodding, but he was in the Treasury when all that happened. As in so many cases, what we will find is that the mistakes that we now have to pay for are the responsibility of Gordon Brown's two henchmen sitting on the Opposition Front Bench.

Q14. [35944] **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): The Prime Minister used to talk rather a lot about fairness, but he has not done so well on performance, so here is a test for him. The banks have walked away from the talks on bankers' bonuses. What will he do about it?

The Prime Minister: The talks are ongoing, and I will tell the right hon. Gentleman what I want. I want the banks to pay more in tax, and they will pay more in tax, up from £18 billion last year to £20 billion next year. He says they have walked away; they have not. These talks are ongoing, and I want to see the taxes go up, the bonuses come down, but vitally, the lending increase. I am confident that we will achieve all those three goals.

Paul Maynard (Blackpool North and Cleveleys) (Con): I know that the Prime Minister regards Blackpool as a special place, as indeed he should. Does he agree that it is about time that Blackpool's unique status as the first working-class seaside resort should be recognised with UNESCO world heritage status?

The Prime Minister: My hon. Friend makes a powerful case for his constituency. I have a warm feeling whenever I think of Blackpool, because of the many conferences that I have attended there and the time that I have spent there. I understand, as I know he does, the pressures that it faces because of changing patterns of tourism and development, and the Government are committed to helping Blackpool to map out a strong future. It is also wonderful to see Blackpool in the premier league where they belong.

Q15. [35945] **Sheila Gilmore** (Edinburgh East) (Lab): With the economy shrinking by 5% and inflation rising, having followed Ireland on the path of cutting too fast and too deep, are we not now in danger of following Ireland further down that slippery slope?

The Prime Minister: I am sorry to tell the hon. Lady that the 5% reduction was under her Government, not this Government. If the former shadow Chancellor's primer has gone missing, perhaps she could get hold of a copy. When we came to office in May, the idea that there was some acceptable plan to reduce the deficit is a complete fiction. Let me just give her this one figure. If we went ahead with the plan of halving the deficit in four years, in four years' time our deficit would be bigger than Portugal's is now. Does anybody think that that is a credible path back to growth and confidence? It is not.

Richard Graham (Gloucester) (Con): One of the most important strands in the Government's growth strategy has been the creation of 75,000 additional apprenticeships. Does the Prime Minister agree that the forthcoming national apprenticeship week and the Gloucestershire apprenticeship fair represent a great opportunity to get young constituents to earn while they learn, especially in the manufacturing sectors, which are growing faster now than at any time under the previous Government?

The Prime Minister: My hon. Friend makes an excellent point. In the spending review, we had to take difficult decisions, particularly on welfare and pay, but as a result we are able to expand the number of apprenticeships to a record level, an extra 75,000. Yes, the growth figures are disappointing, but manufacturing and exports are up, and we are starting to rebalance the economy away from the unsustainable booms that we had under the Labour Government.

Mr Speaker: Order. Before the right hon. Member for Rotherham (Mr MacShane) asks his urgent question, I appeal to hon. and right hon. Members who are leaving the Chamber to do so quickly and quietly, so that those who are interested in the next business can attend properly to it. A quiet and speedy exit is required.

BBC World Service

12.33 pm

Mr Denis MacShane (Rotherham) (Lab) *(Urgent Question)*: To ask the Foreign Secretary if he will make a statement on BBC World Service cuts.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The House will agree that the BBC World Service performs an invaluable role, reflecting British democratic values overseas and supporting British influence in the world, and that the services it provides are a beacon to many in some of the poorest and most insecure countries in the world. We announced in October that from 2014 responsibility for the BBC World Service will be transferred to the BBC itself and funded from the licence fee, a move that has been welcomed by the World Service and the BBC Trust as providing new opportunities for the World Service to develop in the future. In the meantime, the World Service, like any other taxpayer-funded body, must ensure that it is working on the right priorities and as efficiently as possible. I announced in October that its expenditure limits would be reduced by 16% in real terms over the next three years.

As I set out in a written statement earlier today, we are providing £13 million per annum to help with the deficit in BBC pension funds and £10 million per annum for new services in markets that we and the World Service have identified as priorities. Those include TV programming in Urdu, in sub-Saharan Africa and in Hindi to be provided to local partners. We have also guaranteed the capital for the move of the World Service to its new offices in W1. That is proper provision for the future of the World Service and will make up for inherited deficits.

The other services provided by the World Service cannot stand still, and those that have become less well used because of the rise of local broadcasters or falling shortwave audiences sometimes have to close. It is the World Service's responsibility to be as efficient as possible while maintaining as many services as possible, something the previous Government recognised when in 2006 they closed 10 separate language services of the World Service. The World Service initially suggested to the Foreign Office the closure of up to 13 language services, but I refused to give permission for that. I have agreed to the closure of five language services, accounting for 3.5 million listeners out of the total audience of 180 million. Withdrawal from shortwave and other services will have a bigger effect, but they will rightly allow for concentration on online and mobile services for the future.

The BBC World Service has a viable and promising future, but it is not immune from public spending constraints or the reassessment of its priorities. While any closures might be regretted, they would not be necessary at all were it not for the inherited BBC pension deficit and the vast public deficit inherited from the previous Government.

Mr MacShane: May I remind the right hon. Gentleman that he is Her Majesty's principal Secretary of State for Foreign Affairs, not a pensions actuary at KPMG? In every year of the previous Labour Government, the grant in aid to the foreign service went up, but under him it has gone down. He is doing in part what no dictator has ever achieved: silencing the voice of the BBC, the voice of Britain, the voice of democracy, and the voice of balanced journalism at a time when it is needed more than ever.

I have an interest to declare. It was the World Service that broadcast my arrest and imprisonment 30 years ago in communist Poland, thus helping to secure my fairly swift release. This week there is turmoil in the Balkans, where people were killed and injured in Tirana last Friday and where Serbia and Macedonia remain without a European future. There is turmoil in Russia, where no one trusts the Putin-controlled media. There is turmoil in Africa, from Egypt and Tunisia down to Ivory Coast and Zimbabwe. What are the Government doing? They are axing the voice of the BBC—the voice of Britain and our values—in Albanian, Serbian and Macedonian. They are cutting services to Angola, Mozambique, Russia and China. They are taking the BBC off the air as other non or semi-democracies replace BBC truth with their propaganda.

The Foreign Secretary secured a flat cash settlement for his own Foreign and Commonwealth Office diplomats, but he has made the World Service the main victim of his cuts with a 20% real-terms reduction. That will cost the jobs of hundreds of journalists who come from every corner of the world to offer their linguistic and political expertise to our nation.

Finally, does the Foreign Secretary accept that just 0.5% of the UK's total spend on international work goes to the World Service? I urge him to look across the range of UK overseas spending, including some sacred cows, and reverse the World Service cuts before irreparable damage is done to our country. If he cannot do that, he should let us have a Foreign Secretary who will allow Britain to maintain its voice in the world.

Mr Hague: When the right hon. Gentleman talks about Poland, one would never imagine that the World Service's Polish service was closed by the Government of whom he was a member. When he talks about the Balkans, one would never imagine that the Bulgarian, Croatian and Slovene services were also closed by the Government of whom he was a member. It was apparently fine under the previous Government sometimes to have to change priorities, but it is not fine now.

The right hon. Gentleman asks about the Russian services. In Russia, online audiences have increased by 120% in the past 12 months, while radio audiences have declined by 85% since 2001. That is why it is absolutely right for the World Service to move more of its services to online and mobile services; that is the way the world is going, even though he might not have noticed it.

Of course the World Service has to move with the future, and of course occasionally some services have to close. The right hon. Gentleman recognised that when he was a Minister. It is a pity he does not recognise it now.

Richard Ottaway (Croydon South) (Con): The World Service together with the British Council are hugely valued services and probably the most effective way of advancing Britain's perceptions of the world. What we have here is an inevitable consequence of restoring stability to the economy. As my right hon. Friend says, funding for the World Service will transfer to the BBC

from 2014. Will he confirm that, with the savings that the transfer will make and the move to Broadcasting house that is going on at the moment, it is open to the BBC to increase funding after 2014?

Mr Hague: My hon. Friend is absolutely right. Indeed, there is some degree of excitement in the BBC Trust about that—about the potential in being able to bring together more easily the resources of the BBC and the experience of the BBC World Service. For instance, it might be able to develop BBC World television more successfully, so there is a positive side to look forward to, and that is what the House should concentrate on.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I should be interested if the Foreign Secretary could, for the sake of the House, adduce the evidence whereby the BBC Trust is excited at the prospect of the cuts that have been announced today. The director-general of the BBC has made it clear that the cuts are a direct consequence of last autumn's spending review. Of course, the Foreign and Commonwealth Office should not be exempt from the need to reduce the deficit, but in making cuts in the FCO, especially to a relatively small budget that has a global impact, there is surely a need for particular care and concern.

Will the right hon. Gentleman explain what proportion of the cuts to the FCO under the spending review settlement will be absorbed by the core FCO budget as distinct from the World Service and, indeed, the British Council? Will he set out his explanation of why the BBC World Service will absorb 16% to 20% real-terms cuts as against 10% real-terms cuts for the FCO? Will he explain how his often-stated ambition to strengthen bilateral relations with the BRIC countries—Brazil, Russia, India and China—is advanced by the end of radio programming in Mandarin Chinese? The reach and respect of the BBC World Service is a huge asset for Britain, and the Government should not put that at risk.

Mr Hague: May I first of all welcome the right hon. Gentleman to the Dispatch Box? I look forward to working with him and to many exchanges with him, although we will always remember that he was Minister for Europe when £7 billion of our rebate was given away, which would of course have paid for the World Service 30 times over. We may have to remind him of that on future occasions as well.

I did not say that the BBC was excited about the reductions in the budget, but, considering the meeting that I had with the corporation about the issue in October, I can say that it is certainly excited about the potential in bringing together the work of the BBC and the World Service, so my evidence is the meeting that I had with Sir Michael Lyons and his colleagues.

It is true that in this spending round the real-terms cut in the Foreign Office budget is 10% and in the World Service budget 16%, but it is true also that in the previous three years the cut in the core Foreign Office budget was much greater. On the effect of all that, by 2013-14 the proportion of the Foreign Office budget accounted for by the World Service will be pretty much exactly the same as it was when the right hon. Gentleman was a Minister in the Foreign Office, five years ago. We ask the World Service only to bear its fair share of the public expenditure reductions, which are obviously necessary in this country. That is the right and fair thing to do, and now we have to work with the World Service and support it in making the best possible job of that.

The Chinese service reaches a very small number of people compared with the size of the Chinese population, and it needs refocusing. The new, enriched online service will aim to reach not only people in China, but 67 million Chinese people who live outside China, and it is designed to be more appealing to younger audiences. Again, there is a rationale for many of the changes that the World Service proposes, albeit within financial constraints.

Robert Halfon (Harlow) (Con): Given the huge influence of Islamist television channels such as Hezbollah and al-Jazeera, will my right hon. Friend confirm that resources will continue to be spent on BBC World Service TV and radio services in the middle east, and on the Arabic service?

Mr Hague: Absolutely. That is, of course, a major area of the World Service's broadcasting. None of the language service closures that are envisaged or agreed to will affect the middle east. Those closures are of services in Albanian, Macedonian, Serbian, Portuguese for Africa and English for the Caribbean. The work of the BBC World Service in the middle east will continue at its current strength.

Mr Ben Bradshaw (Exeter) (Lab): These cuts are a direct result of the Foreign Secretary's decision to allow the funding of the World Service to pass from his Department to the licence fee payer. Many of us warned that that would happen at the time. The countries where language services have been closed that he listed in response to my right hon. Friend the Member for Rotherham (Mr MacShane) were all European democracies within the European Union; that is not the case with the language services the Foreign Secretary is closing. Why should the BBC spend any more money on language services that the licence fee payer has no interest in and, in many cases, cannot listen to?

Mr Hague: In case there is any confusion, there is no connection between these reductions and the transfer of the BBC World Service to licence fee funding, which will take place in four years' time. For the next three years, the BBC World Service will continue to be funded directly out of public expenditure. Just to make it clear for the right hon. Gentleman, the reductions are therefore not the direct consequence of that decision. The services that closed under the previous Government were not just European democracies in the European Union; they also closed the Kazakh and Thai services. The closures were much more widespread. As I said, the previous Government recognised that closures sometimes had to take place. Labour Members must recognise that unless they oppose all reductions in Government expenditure, sometimes these things have to happen.

Mr Don Foster (Bath) (LD): Cuts in the jewel in the crown of this country are clearly disappointing. Does the Foreign Secretary accept that the World Service makes a huge contribution to our international development agenda? Is he willing at least to discuss with the Secretary of State for International Development whether his Department, which currently makes no contribution, could make a small contribution? For example, £3 million a year would save the Russian and Mandarin Chinese services.

Mr Hague: I point out to my right hon. Friend that there are merits in the changes to the Russian and Chinese services, for the reasons that I have given about changing patterns of usage. It is not clear that if the BBC World Service had a few million pounds extra, keeping those services exactly as they are would be the best use of that money. However, that would be for the World Service to decide. I am looking at whether additional funding can be provided in this financial year to help with the restructuring costs. It is not impossible that we will find some additional money for the World Service. A good part of the public money that is spent on the World Service is ODA-able—official development assistance—expenditure, so it falls within that category. I think that my colleagues in the Department for International Development and all other Departments would agree with my assessment that public spending discipline has to apply to all parts of the public sector, including the BBC World Service.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Is it not a fact that the BBC World Service is the most trusted voice in the world—more trusted than any Government, and more trusted than any other broadcaster in English or any other language? Therefore, to undermine the BBC World Service is to undermine truth. Is it not essential for the right hon. Gentleman to accept that it is about time that this Government dedicated themselves to truth and trust, and not to spin?

Mr Hague: These are the straightforward facts of the matter. The fact that the previous Government closed 10 services in 2006 is nothing to do with spin; it is the sheer truth of the matter. One point I would make to the right hon. Gentleman is that one of the advantages—although not a decisive advantage on its own—of transferring the BBC World Service into the BBC is that it will no longer be possible to make the argument, which is sometimes made around the world, that the BBC World Service is an arm of the British Government and is funded directly from the Foreign Office, and that therefore some suspicion should be cast on it. By showing the world that the BBC World Service, which is known for its impartiality and independence, will be part of the BBC, rather than funded by the Foreign Office, we are underlining, rather than undermining, its independence.

Nicholas Soames (Mid Sussex) (Con): Given the inevitable reordering of the finances of the World Service, does the Foreign Secretary agree that it is none the less essential, in a world in which the media move at an extraordinarily fast pace and the world itself is changing so rapidly, that it has the capacity to change if it needs to do so, and that its capabilities should not be set in stone?

Mr Hague: Yes, my hon. Friend is absolutely right. That was why I emphasised the changing nature of the demand for World Service broadcasting and the rapidly increasing online demand, particularly for its Russian services. Such things do not stand still, which of course means that the skills and personnel required sometimes change. There should be wider recognition of that.

Mike Gapes (Ilford South) (Lab/Co-op): The Foreign Secretary has referred several times to what happened under the previous Government. Will he confirm that the World Service established television in Arabic and Persian and new online services, and that the previous Government did not preside over a cut of 650 staff or make it face 16% cuts, which it now faces when the Foreign Office is suffering only 10% cuts? Is that not a direct consequence of his agreement to the budget cuts and his choices?

Mr Hague: The previous Government doubled the national debt in four years and ran up a budget deficit of 11% of our gross domestic product. That is why we are now in a period of public spending restraint, whether in the World Service or any other area.

Malcolm Bruce (Gordon) (LD): In response to my right hon. Friend the Member for Bath (Mr Foster), the Foreign Secretary acknowledged that World Service funding was ODA-able in some cases. Does he envisage having discussions with DFID, given the increased commitment to operating in fragile and post-conflict states and the consequences of withdrawing the Portuguese for Africa, Nepali, Swahili and great lakes services? There could be scope for an agreement between the two Departments to reinstate or maintain those services.

Mr Hague: As I said, a good deal of the expenditure is already ODA-able. I do not know what scope that leaves for additional ODA-able funding, but DFID is already in the process of setting its own priorities, which do not normally include supporting the operations of the BBC World Service. Overall, these changes are necessary. I said that I am considering whether additional money can be provided to help the World Service through the restructuring—I am talking about only up to a few million pounds, but it may be of assistance. I cannot promise a large part of the DFID budget for this cause.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I used to be accused of having a typical foreigner's emotional attachment to the World Service, and I plead guilty to that. The Foreign Secretary has a sense of history and knows that the World Service's reputation is based on not just its independence but its exceptional quality. The latest round of more than 600 redundancies will cut into its core and undermine it, because it will not have enough journalists. As a historian, he cannot be proud to be the Foreign Secretary who will oversee the final death of the World Service.

Mr Hague: None of us who are conscious of history can preside over a Government heading towards the bankruptcy of this country, and that is why we have to have spending restraint across the public sector. I stress that, as I said in my initial answer to the right hon. Member for Rotherham (Mr MacShane), there is a viable and strong future for the BBC World Service. The right place for it is with the BBC itself, which has taken it on with enthusiasm. It is wrong to pretend that there should never be any changes or reductions, and of course we have to ensure that we live within our means in this country. These changes are part of doing that.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Does my right hon. Friend accept that the BBC World Service, along with the British Council, has a huge world reputation in exchanging views and knowledge from the western

world? Does he accept also that it is not just the number of people who receive a service that counts? It is precisely the minorities in difficult parts of the world who need truth and independent advice.

Mr Hague: My hon. Friend is absolutely right, and that was one reason why I was anxious to avoid a larger scale of language service closures than those to which I have agreed. We have limited them to five language services, along with other changes to the BBC World Service, partly because of the reason he gives.

Ian Murray (Edinburgh South) (Lab): Will the Foreign Secretary join me in paying tribute to all the staff of the BBC World Service working both in this country and abroad? Is he giving any consideration to helping the BBC with the redundancies that will occur as a result of his decision, many of them affecting people in specialist positions?

Mr Hague: I have paid tribute on many occasions to the staff involved and to the BBC for the service that it provides around the world, and I do so again. I said that we might be able to find some additional help with the restructuring costs, and I mentioned in my initial answer the money that we have included in the settlement to underwrite the World Service's move to new headquarters and to ensure that some new services can be developed. There is a strong commitment to the future of the World Service.

Damian Collins (Folkestone and Hythe) (Con): In his correspondence with Sir Michael Lyons, which has been placed in the Library today, the Foreign Secretary states that he will

"seek to find ways to make some additional funding available this year, providing those funds can be used to generate savings in future years."

What conversations has he had with the BBC Trust about that, and can he confirm whether he has met Sir Michael Lyons in person during his negotiations?

Mr Hague: Yes, I have met Sir Michael in person a couple of times. On the subject of what discussions are taking place, I am awaiting further details from the World Service of how it would use any additional money this year to help make the savings and rationalisations that we have discussed.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The BBC World Service provides a vital link to the outside world for oppressed countries and isolated countries such as Burma. The Foreign Secretary will remember the important role that the Burmese service played during the demonstrations back in 2007. Will he assure the House that those considerations will be taken into account in the future, to ensure that we do not pull such important services away from those countries?

Mr Hague: Yes, the hon. Lady is absolutely right, and I certainly would not agree to the closure of services for Burma, even if it were proposed. The considerations that she underlines, such as the help that the World Service provides to people in oppressed countries, must always be important in the decisions that we make about its services.

Mr Andrew Tyrie (Chichester) (Con): There is very deep concern in the House about this decision, and I hope that the Foreign Secretary will reconsider it with Cabinet colleagues. In particular, I hope that he will take a look at the overseas aid budget, which is increasing by 37% in real terms at a time when he intends to implement 16% cuts to the World Service. I hope that he will hear the message from the House that if there is a choice between the two, we want to put the World Service first.

Mr Hague: I stress to my hon. Friend that a good deal of the World Service's budget already counts as ODA-able expenditure, so he should not think that turning to DFID for the money is an easy answer. I reiterate my view that all parts of the public sector must join in in becoming more efficient, and the BBC World Service will be part of the public sector for the next three years.

Mr Gregory Campbell (East Londonderry) (DUP): Given the scale of the Foreign Secretary's announcement, what guarantee can he give that the BBC's non-partisanship and impartiality in reporting, which has always been a hallmark of its broadcasting capabilities, will be maintained in future?

Mr Hague: I do not anticipate that anything that we are announcing today will have any impact on that important part of the character of the BBC. As other hon. Members have underlined, that is part of the reason for the respect for the World Service, and it is committed to continuing that character.

Nadhim Zahawi (Stratford-on-Avon) (Con): The BBC Monitoring service is recognised globally as being of the highest quality, and it is essential to a number of our allies. Given the inevitable cost savings that have to be found, can the Foreign Secretary confirm that he is not looking to cut back the monitoring service?

Mr Hague: The monitoring service is not part of today's announcement, but it will of course have to make savings, because it, too, is funded from Government expenditure. Further details of that will follow.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The Foreign Secretary will know that there used to be a consensus throughout the House for supporting the BBC World Service—we saw off the Thatcher Government together when they attacked it. Should he not hang his head in shame today? These are cuts of a scale beyond anything that went on under previous Governments, to a service that is cherished by the British people, who will punish him. They are part of his overall plan to please Rupert Murdoch and denigrate the BBC.

Mr Hague: There is a sort of ridiculous air to that question, if I may say so. Clearly, my announcement was nothing to do with the last matter to which the hon. Gentleman referred. It is necessary to make savings in Government expenditure because of the performance of the Government whom he supported.

Dr Julian Huppert (Cambridge) (LD): What analysis has the Foreign Secretary made of the benefits to Britain's foreign, development and even domestic policy objectives of spending on the World Service versus spending on Trident?

Mr Hague: Both are absolutely essential for the future security of this country.

Mr Frank Roy (Motherwell and Wishaw) (Lab): This is a black day for more than 650 people who will lose their jobs. Among those will be foreign journalists who came to this country on work visas at great risk to themselves. What will the Secretary of State do to ensure that those people are not sent back to danger in their original countries?

Mr Hague: There should be no question of that happening. We have well established procedures, over which the Home Secretary presides, to ensure that people do not go back to danger in their home countries. That is a separate issue, but if it comes up at all, and if there is any danger of those things happening, Ministers will want to make sure that they do not.

Mr John Baron (Basildon and Billericay) (Con): To follow up on that point, the BBC is very concerned about the plight of the foreign-born journalists who work in this country who will now be made unemployed. Can the Foreign Secretary promise to work with the BBC and look sympathetically on those journalists who might have to return to countries on which they have reported critically?

Mr Hague: Yes, absolutely. To reiterate the answer I just gave to the hon. Member for Motherwell and Wishaw (Mr Roy), we will look very sympathetically on that situation.

Fiona Mactaggart (Slough) (Lab): At the moment, the audience for the BBC World Service is more than 240 million people around the world. After these cuts, will the BBC still be the pre-eminent world broadcaster, putting forward our democratic values in a way that other international broadcasters fail to do?

Mr Hague: Yes. Not only will the BBC be that, but it will have great potential for the future in working with other BBC services and in developing some of the new services that I have outlined today.

Paul Maynard (Blackpool North and Cleveleys) (Con): The Foreign Secretary has often spoken of the importance of soft power in diplomacy, particularly with reference to the BBC World Service. Although I regret the loss of services in the western Balkans, can he explain how we can better deploy our soft power resources in that very vulnerable region to try to secure its peace in future?

Mr Hague: My hon. Friend's question raises a wider discussion about the western Balkans. We give a great deal of diplomatic and ministerial attention to that region. We have been highly active in ensuring that dialogue rather than confrontation has taken place between Serbia and Kosovo over recent months, and we are now doing a great deal of work on the future of Bosnia. That is done by British diplomats, supported by the work of British non-governmental organisations, and British Ministers, working cohesively.

Chris Bryant (Rhondda) (Lab): I am absolutely certain that the World Service cannot be preserved in aspic, and that if Labour had been in power, there would have been cuts in its budget. However, every single foreign politician whom I have met in my time in this House told me that one of Britain's greatest assets is the BBC World Service. For many of them, it was the symbol of freedom. My big anxiety is that cuts in the World Service are so much heavier than cuts in other parts of the Foreign Office that they will leave a very depleted organisation, and that uniting the World Service with the rest of the BBC will hit rather than improve its impartiality. Will the Foreign Secretary therefore reconsider?

Mr Hague: The hon. Gentleman's question is a good deal more realistic than some that I have been asked in the past half an hour, because he recognises that whatever Government were in power, there would have to be reductions in the World Service. He can gather from what I outlined earlier that we have sought to limit the impact on the number of countries involved. That is why only five separate language services are being closed. We have taken all the factors he outlined into consideration, limited those closures and provided for the future development of the World Service, so that it continues to be the respected service of which he rightly speaks.

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): The Foreign Secretary seems not to understand that his decisions will topple the BBC from its position as the No. 1 in the world, or that the loss of critical mass is significant. Surely he will accept that we cannot simply restart a service in a particular country or part of the world when problems emerge, yet the World Service is so important in such countries, and to their diaspora in this country, at such times, as I have seen in respect of Somalis in the UK. Will he reconsider the damage that he is doing with those decisions?

Mr Hague: I pointed out how the growth of some services is taking place—I mentioned earlier how the use of the online service in Russia has grown by 121% in the last 12 months. As the hon. Member for Rhondda (Chris Bryant) was saying a moment ago, the services of the BBC World Service cannot be preserved in aspic—they must change—and Opposition Members must understand that.

Barry Gardiner (Brent North) (Lab): Given that two of the greatest strengths of the World Service were to speak truth to the powerful and to broadcast hope to the poor and downtrodden, does the Foreign Secretary not see even the slightest irony in the fact that in the week when he introduces swingeing cuts to the World Service, the Secretary of State for Culture, Olympics, Media and Sport, who is sitting next to him, has given a second chance to Rupert Murdoch?

Mr Hague: They are two entirely unrelated issues. Does the hon. Gentleman not see the slightest irony in the fact that having left this country on the brink of bankruptcy, Opposition Members now complain that we are doing something about it?

Jim Shannon (Strangford) (DUP): Everyone in the House recognises very clearly the uniqueness and importance of the BBC World Service. The Foreign Secretary mentioned in his presentation today that one reason for the cuts is that the numbers of those who listen to radio are down, but what consideration has he given to countries where the only media method is

radio? Has consideration been given to what the uniquely British World Service gives to the democratic process in countries such as China, and will he ensure that people in such countries have an opportunity to continue to listen?

Mr Hague: Yes, of course the Government considered that, as did the BBC World Service in drawing up the list of what it thinks it is necessary to do. The predominant availability of the service only on radio is one of the factors that the BBC has borne in mind. Burma, which was mentioned earlier, is a case in point. That has been one of the factors in drawing up the list. Of course, in those areas where the service is to close, countries are generally provided with a vast range of different media outlets, including a much more thriving local media than was the case only a decade ago.

Counter-terrorism Review

1.7 pm

The Secretary of State for the Home Department (Mrs Theresa May): With permission, Mr Speaker, I should like to make a statement on the outcome of the review of counter-terrorism and security powers.

The review has taken place in the context of a threat from terrorism that is as serious as we have faced at any time. In dealing with that threat, it has been the consistent aim of this Government to protect not only the security of our citizens, but the freedoms of us all.

We reviewed counter-terrorism legislation because too much of it was excessive and unnecessary. At times, it gave the impression of criminalising entire communities. Some measures, such as the extraordinary attempt to increase the period of pre-charge detention for terrorist suspects to 90 days, were rightly defeated in Parliament. Others, such as the most draconian aspects of control orders, were defeated in the courts. Those measures undermined public confidence, so I am delighted that the Leader of the Opposition has made it clear that he will support me in preventing the excessive use of state power.

I make no apology for the time that this review has taken. It has rightly been deliberate and thorough to ensure that we safeguard both our security and our freedoms. The review has taken account of all sides of the argument. It has received evidence from academic experts and civil society groups, from communities across the country, and from the law enforcement and security agencies. I have, of course, consulted regularly with my right hon. Friend the Secretary of State for Northern Ireland, and my noble Friend Lord Macdonald of River Glaven has provided independent oversight of the process. He has had access to all relevant papers and has played an invaluable role in ensuring that all the evidence was given proper consideration. I thank him for his contribution in ensuring that the recommendations of this review are not only fair but seen to be fair. I am laying the review, a summary of the public consultation, and Lord Macdonald's report, in the House.

On pre-charge detention, the Government announced to the House last week that we would not renew the current legislation on extended pre-charge detention. This means that the sunset clause inserted by the last Government has now brought the maximum period of pre-charge detention down to 14 days. The review sets out the detailed considerations leading to this conclusion.

The police, prosecutors and the Government are clear that the normal maximum period of pre-charge detention should be 14 days. However, we recognise that, in exceptional circumstances only, that might need to be temporarily increased to 28 days. We will therefore draw up draft primary legislation to be introduced for parliamentary consideration only in such circumstances. We will publish a draft Bill and propose that it be subject to pre-legislative scrutiny. I should make it clear to the House that until it is repealed by the freedom Bill, section 25 of the Terrorism Act 2006 will remain on the statute book allowing the Government to increase the maximum period to 28 days in an emergency, subject to Parliament's agreement. There has therefore been no gap in our ability to seek Parliament's consent to increase the period of pre-charge detention should the need arise.

[Mrs Theresa May]

On the use of section 44 stop-and-search powers, I have concluded that the current provisions, which were found unlawful by the European Court of Human Rights, represented an unacceptable intrusion on an individual's human rights and must be repealed. However the evidence, particularly in Northern Ireland, has demonstrated that where there is a credible threat of an imminent terrorist attack, the absence of such powers might create a gap in the ability of the police to protect the public. We therefore propose to repeal section 44 and to replace it with a tightly defined power that would allow a senior police officer to make an authorisation of much more limited scope and duration for no-suspicion stop-and-search powers to prevent a terrorist attack where there is a specific threat. This targeted measure will also prevent the misuse of these powers against photographers, which I know was a significant concern with the previous regime.

On the Regulation of Investigatory Powers Act 2000, we will implement our commitment to prevent the use of these powers by local authorities unless for the purpose of preventing serious crime and unless authorised by a magistrate. In this context, surveillance—the most controversial power—will be authorised for offences that carry a custodial sentence of at least six months.

On the wider question of communications data—that is the who, when and where of a communication, but not the content—the Government intend to ensure that as far as possible, they are accessed only through the revised Regulation of Investigatory Powers Act. We will bring forward specific legislation to this effect in a future communications data Bill.

The Government are committed to tackling the promotion of division, hatred and violence in our society. We must expose and confront the bigoted ideology of the extremists and prosecute and punish those who step outside the law. The review considered whether counter-terrorism legislation should be amended to tackle groups who are not currently caught by the law, but who still aim to spread their divisive and abhorrent messages. After careful consideration, we have concluded that it would be disproportionate to widen counter-terrorism legislation to deal with these groups, however distasteful we find their views. To do so would have serious consequences for the basic principles of freedom of expression. We therefore propose to use existing legislation, as well as tackling such groups through our wider work to counter extremism and promote integration and participation in society.

On the deportation of foreign nationals suspected or known to have been involved in terrorist activity, the review found no evidence that this policy was inconsistent with the UK's human rights obligations and found that it was legitimate and necessary to seek to extend the arrangements to more countries which would include independent verification. As Lord Macdonald says, the Government's engagement with other countries on these issues is likely to have a positive effect on their human rights records.

Finally, on control orders the Government have concluded that, for the foreseeable future, there is likely to be a small number of people who pose a real threat to our security, but who cannot currently be successfully prosecuted or deported. I want to be clear that prosecution, conviction and imprisonment will always be our priority—the right place for a terrorist is a prison cell—but where successful prosecution or deportation is not immediately possible, no responsible Government could allow these individuals to go freely about their terrorist activities.

We are also clear that the current control order regime is imperfect and has not been as effective as it should be. We therefore propose to repeal control orders. Instead, we will introduce a new package of measures that is better focused and has more targeted restrictions, supported by significantly increased resources for surveillance and other investigative tools. Restrictions that have an impact on an individual's ability to lead a normal life should be the minimum necessary, should be proportionate and should be clearly justified. The legislation that we will bring forward will make clearer what restrictions can and cannot be imposed. These will be similar to some of the existing powers used in the civil justice system, for example to prevent sexual offences and domestic violence.

These "terrorism prevention and investigation measures" will have a two-year maximum time limit, which will clearly demonstrate that these are targeted, temporary measures and not to be used simply as a means of parking difficult cases indefinitely. The measures will have to meet the evidential test of "reasonable belief" that a person is or has been engaged in terrorism. This is higher than the test of "reasonable suspicion" under the current regime.

Curfews will be replaced by an overnight residence requirement—*[Interruption.]*

Mr Speaker: Order. Whatever Members think, on either side of the argument, the statement by the Home Secretary on this matter must be heard with courtesy and in silence.

Mrs May: Forcible relocation will be ended and replaced with the power to order more tightly defined exclusions from particular areas, such as particular buildings or streets, but not entire boroughs. Individuals will have greater access to communications, including to a mobile phone and to a home computer with internet access, subject to certain conditions such as providing passwords. They will have greater freedom to associate. They will be free to work and study, subject again to restrictions necessary to protect the public. We will add the crucial power to prevent foreign travel. These measures will be imposed by the Home Secretary with prior permission from the High Court required except in the most urgent cases. The police will be under a strengthened legal duty to ensure that the person's conduct is kept under continual review with a view to bringing a prosecution and they will be required to inform the Home Secretary about the ongoing prospects for prosecution.

I have asked the incoming independent reviewer of terrorism legislation, David Anderson QC, to pay particular attention to these issues in his first report on the new regime and to make recommendations that he considers appropriate to ensure the new regime is working as intended.

I am also today laying a written ministerial statement outlining the next steps in the work to find a practical way to allow the use of intercept as evidence in court. We will repeal the current provisions which permit control orders with restrictions so severe that they would

require the United Kingdom to derogate from the European convention on human rights. I cannot imagine circumstances in which the Government would seek to introduce such draconian measures.

So the review I am announcing today will create a more focused and flexible regime. However, in exceptional circumstances, faced with a very serious terrorist threat that we cannot manage by any other means, additional measures may be necessary. We want to prepare for this possibility while ensuring that such powers are used only when absolutely necessary. So we will publish, but not introduce, legislation allowing more stringent measures, including curfews and further restrictions on communications, association and movement. These measures will require an even higher standard of proof to be met and would be introduced if in exceptional circumstances they were required to protect the public from the threat of terrorism. We will invite the Opposition to discuss this draft legislation with us on Privy Council terms. These powers would be enacted only with the agreement of both Houses of Parliament.

All of these measures will be accompanied by a significant increase in resources for the police and security and intelligence agencies to improve their surveillance and investigative capabilities. This will underpin the effectiveness of the regime and support the gathering of evidence admissible in court which could lead to a successful prosecution.

We will bring forward legislation to introduce the new regime in the coming weeks. We want to give Parliament the opportunity to scrutinise our proposals properly. I am sure the whole House would agree that in the past, too many laws in this area were rushed through without the opportunity for adequate debate and consideration. So while Parliament considers that legislation, we will renew the current regime to the end of the year. Many of the other measures I have outlined will be brought forward in the forthcoming protection of freedom Bill.

I wish to finish by thanking the police and the security services for the tremendous work they do to keep our country safe. The measures I have outlined today will help them continue to ensure our safety and security at the same time as we restore our civil liberties. They are in keeping with British values and our commitment to freedom, fairness and the rule of law. They will restore public confidence in counter-terrorism legislation and it is my hope that they will form the basis of an enduring political consensus. I commend this statement to the House.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I thank the Home Secretary for her statement and for advance sight of the review. The horrific attack at Moscow airport brings home to us all the terrible damage, loss of life, carnage and fear that terrorist attacks can cause. The threats that we face from organised groups with international connections and lone individuals radicalised at home mean that our police and our security services face an incredible task in protecting this country. They match that threat with incredible effort. We pay tribute to the work that they do today.

The challenge for democratic Governments in the face of terrorist threats must be to protect both our national security and our historic freedoms. It is right to update powers and policies in response to ever-changing threats, so we welcome the fact that the review is being held. However, it would have been better to do this alongside a full assessment of the risks and challenges, through the updating of the Government's wider counter-terrorism strategy, Contest, which was due in January, but which I understand has now been delayed until the summer.

It is our responsibility as the Opposition to scrutinise the Government's proposals in detail and, wherever we can, to support the Government on national security matters on the basis of the evidence. We will support some of the measures that the Government have announced today. We support their approach to deportations with assurances to countries with which we can reach agreement, which continues the work that we did in government. We note that the Government have decided to continue with the existing regime for proscribing groups that are engaged in terrorism. That seems to be a sensible approach. Can the Home Secretary tell the House whether that means that the Prime Minister has abandoned his commitment in the Conservative manifesto to

"ban any organisations which advocate hate or the violent overthrow of our society, such as Hizb-ut-Tahrir"?

We also agree that the use by local authorities of powers under the Regulation of Investigatory Powers Act 2000 should be restricted. Some of the uses that we have seen in practice go far beyond the intention of the original legislation. However, we will of course scrutinise the detail, as we agree that councils still need to be able to take action on issues such as the sale of alcohol or tobacco to those who are under-age. We also support sensible changes to stop-and-search powers to prevent their being misused, but it would be helpful if the Home Secretary could confirm that the legislative changes that she is proposing largely reflect the practical changes that the police have already introduced. I am still concerned about the implications for Northern Ireland, where, as she will know, stop-and-search powers have played an important role in preventing terrorist attacks. Is she confident, and is the Secretary of State for Northern Ireland confident, that the police will have all the powers that they need in Northern Ireland under the new arrangements?

Let me turn to pre-charge detention. In the last three years, no case has invoked pre-charge detention for more than 14 days, as the review makes clear. We have made it clear that if the best police and security evidence shows that we can reduce the maximum period for pre-charge detention from 28 days with sufficient safeguards, then we should do so. However, the Home Secretary's review concludes that there could be future circumstances in which detention for longer than 14 days will be required, saying that

"there may be rare cases where a longer period of detention may be required and those cases may have significant repercussions for national security."

The review recommends an emergency option to return to 28 days if necessary. However, the emergency legislation to do that is still not available in the Library. Indeed, it is still not ready, despite the commitment made by the Immigration Minister last Thursday. On Monday, the Home Secretary told the House that she could extend detention through an order under section 25 of the Terrorism Act 2006, yet her own review concludes that

"it would be very difficult to extend 28 days"

[Yvette Cooper]

in that way

"in response to or during a specific investigation,"

owing to the length of time that it would take to go through the House.

The Home Secretary is putting the House in a very difficult position. The old powers lapsed on Monday; her review says that she may need to restore them swiftly to deal with a difficult case; according to her review, the order-making power will take too long; and the emergency legislation is not ready. Why did she not make the emergency legislation available sooner, and why did she not wait until the emergency legislation was ready before she let the old powers lapse? As we have seen from the events in Moscow, we can never predict what is round the corner. What are the police and the Crown Prosecution Service supposed to do if a difficult and dangerous case emerges right now? And what on earth is the Home Office doing telling the House on Thursday that the legislation would be ready, on Monday that section 25 of the 2006 Act would be sufficient, and, in its review today, that neither of those things is right?

We know already that the Home Secretary's policies in this area have been a complete shambles, but they are also irresponsible. She has identified that emergency provisions are needed, but she has left the police and the public in a difficult position by failing to put those provisions in place. Indeed, we also have concerns about another aspect of the Home Secretary's approach. She is relying on being able to rush emergency legislation through in a hurry to deal with an individual and difficult case. Is that really a sensible way to proceed, with the possibility of Parliament being recalled in a recess in order to discuss the risks in an individual case, yet without prejudicing that case? I would urge her to think carefully about that approach, and about whether it would be better to develop more restricted bail conditions to apply beyond 14 days, so that emergency legislation is less likely to be needed.

Let me turn to control orders. We all know that this is a difficult area. I think that everybody recognises that no one wants to use control orders, but we accept the conclusion of the review, which is that there is a continuing need to control the activities of terrorists who can be neither successfully prosecuted nor deported. We have said that we are ready to look at alternatives to control orders if the evidence supports that. However, the proposals that the Home Secretary has set out today are not an alternative approach to control orders; they are simply amendments to control orders. Many of the same elements remain: restrictions on movement and communications; and a review by the court at the instigation of the Home Secretary, with special arrangements in place. I would ask her to explain to the House the difference between an eight-hour curfew and an overnight residence requirement. Is not the truth of it that what the Government are doing is a political fudge? The Deputy Prime Minister told the BBC that he had abolished control orders. Is not the truth that he has simply abolished the name?

We need to ask some detailed questions about the proposed amendments. We would like to be able to support sensible changes to control orders, but we need answers to some important questions. First, the Government are introducing a two-year limit, with a requirement for new evidence before a control order can be renewed. Lord Carlile's last annual review of control orders said:

"There is significant and credible intelligence that"

three of the controlees

"continue to present actual or potential, and significant danger to national security and public safety. I agree with the assessment that the control order on each has substantially reduced the present danger that exceptionally they still present despite their having been subject to a control order for a significant period of time."

Those three individuals have been on control orders for more than two years, so will they now have their orders revoked, and what measures will be put in place to keep the public safe from the threat that Lord Carlile and the police clearly believe they pose?

Secondly, can the Home Secretary tell us whether the changes will mean a reduction in the restriction that the Government are currently imposing on the remainder of the eight people who are currently on control orders? Thirdly, the Home Secretary has made it clear that she intends to rely more heavily on surveillance and less on the measures under control orders. We would support the greater use of surveillance, especially if it were to increase the chance of prosecution, but I am concerned about whether there will be sufficient resources for an increase in surveillance. The Home Secretary has talked about increases in surveillance, but we have not had clear figures about what exactly that will mean. *The Daily Telegraph* appears to have been told that there would be a £20 million increase for the police and security services, but we have not been told exactly what that means. Can she confirm that the £20 million for surveillance operations, or whatever the figure is, will not be ring-fenced, and that it follows a £150 million cut in the counter-terrorism budget and billions of pounds of cuts for the police? Can she assure the House that she is confident that the police and the security forces will have the resources that they need to keep Britain safe from terror?

This has been a chaotic review, delayed, confused, riven by leaks and political horse-trading, and culminating in a political fudge. It is a review with serious gaps, which raise serious questions about security and resources, and the public and the people who work to keep us safe deserve better. The rhetoric of opposition has now come up against the reality of government. The review has been muddled in its formation and chaotic in its announcement; the Home Secretary must ensure that it is neither of those when she implements it in practice.

Mrs May: May I start by welcoming the more measured approach that the shadow Home Secretary took in the early stages of her response to my statement, and her stated commitment to ensuring that we work together in the interests of national security? I sincerely hope that we shall have cross-party dialogue and agreement on matters that are indeed of national interest in ensuring our national security. Sadly, however, in the time that I have been Home Secretary, such a response has not been noticeable from the Opposition Benches up to now, but I live in hope that that prospect will change.

The right hon. Lady also supported our proposals on deportation with assurances, and our continuing work on that with other countries is important. On proscription, I can assure her that we are actively looking at the issue

of Hizb ut-Tahrir, and we do not resile from our commitment to ensure that action can be taken on the sort of groups that we have described. She supported what we are doing on the Regulation of Investigatory Powers Act 2000, and on local authorities in that regard. I am pleased to hear that, although it might have been nice to hear an apology from her for the use of RIPA by local authorities under her Government. I believe that that is one of the things that has damaged people's confidence in counter-terrorism legislation.

The right hon. Lady also referred to section 44, and asked about the changes, which she said were introduced by the police last summer. Those changes were not introduced by the police; I changed the guidance to the police following the European Court of Human Rights judgment. It was entirely right that we did that, when a judgment had been made against us. The police have been operating under the new guidelines. Having looked at the judgment, we believe that it will be possible to introduce legislation, whose use will be very tightly circumscribed, to cover any potential gap in the powers available to the police as a result of the ECHR judgment.

The right hon. Lady referred to Northern Ireland. I specifically made reference to Northern Ireland in my statement, and I have been discussing these matters with the Secretary of State for Northern Ireland and the Chief Constable of the Police Service of Northern Ireland. The Secretary of State has been in touch with the Chief Constable and with the Minister of Justice in Northern Ireland to ensure that the measures that we introduce will indeed provide the capabilities that the PSNI needs for the difficult work that it does. I should like to pay particular tribute to the PSNI, because we have seen a significant increase in the number of potential attacks, as well as in the number of terrorist-related arrests and charges, in Northern Ireland over the past year. The PSNI is doing valuable work in keeping the people of Northern Ireland safe.

The right hon. Lady talked about pre-charge detention, and that was when her more measured, conciliatory and consensual approach started to disappear. She made an awful lot of the issue about whether draft legislation had been laid before the House. The Minister for Immigration, my hon. Friend the Member for Ashford (Damian Green) did not promise that it would be laid before the House last Thursday. He said that we would be laying draft legislation before the House. It is my intention to discuss this draft legislation with the Opposition. As I said in my statement, we intend it to be the subject of pre-legislative scrutiny, so that, if and when it is necessary to introduce the emergency legislation, the House will already have had an opportunity to scrutinise it.

The right hon. Lady also tried to make quite a lot of the gap in the emergency provision that would be available, and about the length of time that it would take to get emergency legislation through the House. It is perfectly possible to get emergency legislation through Parliament in a day; it has been done by previous Governments. I might also remind her that this is exactly the same procedure that was adopted by her Government in relation to their proposals for 42 days' pre-charge detention.

On control orders, the measures that we are going to introduce will be significantly different from the control order regime that the right hon. Lady's Government introduced. She talked about a curfew, but under the current regime, a curfew of 16 hours is possible, with little or no flexibility. Our proposals for the requirement for an overnight residency or stay represent a significant reduction on that, and offer increased flexibility for the individuals involved. We are changing the regime so that there will be a two-year limit on the operation of a control order on any one individual. The right hon. Lady asked about people who are currently on control orders. As I made clear in my statement, the current control order regime will be extended until the end of the year.

The right hon. Lady said that she supported the greater use of surveillance, which is part of the package that I have announced. I welcome her support. I am sure that we are all of one mind in wanting to ensure that we can prosecute people and bring them to justice. Obviously, we will make every effort to ensure that people on the new measures are constantly looked at in regard to bringing prosecutions. She also asked about resources. There will be new money available to the Security Service and the police over the comprehensive spending review period, but it is a well-known practice that we do not identify individual sums of money allocated for Security Service purposes.

Finally, the right hon. Lady made quite a lot of the fact that she thought there was a problem with the process that had been undertaken. I have to say to her that she was a member of a Government who tried to introduce first 90 days' pre-charge detention, then 60 days, then 42 days before finally settling on 28 days, so I will take no lessons from her on process.

Several hon. Members *rose—*

Mr Speaker: Order. This is an extremely important matter and a great many right hon. and hon. Members understandably wish to question the Home Secretary about it. However, there is also important business to follow, and therefore considerable pressure on time. Brevity in questions and answers alike is therefore imperative, a fine example of which can now be provided by Sir Menzies Campbell.

Sir Menzies Campbell (North East Fife) (LD): May I remind the Home Secretary that it was a Labour Home Secretary, Roy Jenkins, who put through emergency legislation in relation to terrorism in Northern Ireland in the course of one parliamentary day, demonstrating that, if there is consensus, a way can be found to legislate? May I also say to her that, in this finely balanced package—particularly in relation to control orders—she provides a welcome alternative to, and relief from, what often seemed to be the unbridled authoritarianism of the previous Government? Does she further understand that she strikes a particularly welcome note in continuing to pursue the possibility of intercept evidence, and in her emphasis on surveillance, investigation and prosecution?

Mrs May: I thank my right hon. and learned Friend for his contribution. I am particularly grateful to him for pointing out, from his experience, that it is perfectly possible to pass legislation in one parliamentary day, as did a Labour Home Secretary. Of course, the crucial factor then was consensus across the House, and I hope that we shall be able to achieve that again, should it be necessary to bring forward the emergency legislation to which I referred in my statement.

[Mrs May]

My right hon. and learned Friend also reminds us that is has been important for the coalition Government to ensure that we rebalance the needs of our national security with our civil liberties. I was disappointed that the shadow Home Secretary made no attempt to apologise for the way in which the previous Labour Government infringed people's civil liberties.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): May I sympathise with the Home Secretary in having to balance the protection of the British people with the political embarrassment of the Deputy Prime Minister? As she has already said, we all agree that prosecution and conviction would be preferred in cases where conspiracy to commit terrorist acts, or the preparation of such acts, are the issue. Will she therefore consider one more attempt to approach the senior judiciary and the legal profession to get agreement to change the rules on disclosure and admissibility of evidence, so that we can use due process through the courts in difficult circumstances such as those of the man known as AM who is being held on a control order? He has declared that he wishes to take his own life, and thereby the life of the British people. The consequence of that would be that we could not prosecute or convict him, because he would be dead.

Mrs May: I note the points that the right hon. Gentleman has made. On the issue of the admissibility of evidence in court, the Government will produce a Green Paper later this year—some time in the summer—that will deal with the whole question of the use of closed evidence in legal proceedings. I am sure that the right hon. Gentleman will look forward to that with great interest. On his first point, I merely say that both parties in the coalition Government went into the election absolutely committed to the need to rebalance our national security and our civil liberties. The package I have announced today does just that.

Mr David Davis (Haltemprice and Howden) (Con): I welcome unreservedly the Home Secretary's comments on the reduction of detention without charge, the curbing of the misuse of section 44 stop-and-search powers and, indeed, the reduction in local authority surveillance. On the contentious issue of control orders, she knows as well as I do that these have acted as a recruiting sergeant for terrorism. Indeed, as Lord Macdonald said in his report:

"The evidence obtained by the Review has plainly demonstrated that the... control order regime acts as an impediment to prosecution."

Can she therefore tell the House why she did not accept the proposal put to her of using police bail, which would have given her all the control she currently has—but within the judicial system rather than in denial of it?

Mrs May: I think that my right hon. Friend is aware that there are certain aspects of this on which he and I take a different view. I welcome his support for a number of the measures we have introduced today. On the issue of the impact of control orders, the aspects of the counter-terrorism legislation that led to most concern among communities were the 28 days' pre-charge detention and the use of section 44 stop-and-search powers. In fact, it was the stop-and-search powers that many people in communities up and down country were most concerned about; and they were also concerned about the use of counter-terrorism legislation by local authorities in respect of matters that clearly had nothing to do with counter-terrorism, such as dog fouling and whether or not children had the right to go to a particular school in a particular catchment area. The package produced today and the measures introduced to replace control orders will, I believe, provide the necessary structure and powers to ensure that we are able to prevent and disrupt terrorist activity while at the same time ensuring that we put every effort into prosecuting individuals. As I said, prosecution must be the preferred option.

Mr Jack Straw (Blackburn) (Lab): Will the £20 million of new money, to which the Home Secretary refers, come from within her existing comprehensive spending review allocation or from the reserve?

Mrs May: I have named no figure on the funding to be made available. I was very clear in my response to the shadow Secretary of State that I was not going to name a figure. I am sure that the right hon. Gentleman, as a former Home Secretary, will understand why we are not doing so in respect of the work of the security services. I can say that the Security Service and the police will both receive new money.

Patrick Mercer (Newark) (Con): I certainly welcome the Home Secretary's statement about the increase in surveillance, but she will be as aware as the rest of the House that in the last few weeks we have seen a heightened threat level from Irish dissident activity on the mainland as well as a series of scares about a very serious armed incident inside this country. If surveillance of known terrorists increases, how will she balance that against the increased threat from unknown terrorists?

Mrs May: We are, of course, very conscious of the severity of the threat that this country faces. That is why the threat level is currently set at severe, which means that a terrorist attack is highly likely. We are constantly undertaking with the security services, the intelligence agencies and the police painstaking day-by-day work, which is necessary to ensure that we not only prevent activity by those already known as terrorists, but that we identify others who might be in the process of trying to undertake terrorist activity. I pay tribute to the police and the security services, particularly to West Midlands police, for the operation undertaken before Christmas, which led to the arrest of 12 individuals and the charging of nine of them for terrorist-related offences.

Keith Vaz (Leicester East) (Lab): May I welcome the reduction in the detention period and the changes to control orders, although we will need more detail on exactly what they mean. I also welcome the Home Secretary's attempt to try to develop consensus across the House. I certainly think it right that she should meet the shadow Home Secretary—following the robust relationship that seems to be developing, I, for one, would like to buy a ticket to that meeting. I ask the right hon. Lady not to forget Parliament or the need to engage with the Select Committee on these issues. Will she give us an assurance that her Prevent strategy will remain robust, that she will protect the counter-terrorism budget and that she will ensure that reviews of this kind—I know that she has more of them planned—will in future be more orderly than the one we have just had?

Mrs May: We could never forget the work of the Select Committee under the right hon. Gentleman's chairmanship—on these and other home affairs matters. It is this Government's intention to do all that is necessary to maintain our national security and to protect the public. That involves looking at the budgets that we make available for counter-terrorism work and the powers available for that work, as I have set out today. I dispute the right hon. Gentleman's comment about the way in which this review has been conducted. We are conducting a number of other reviews, but what I think is important for all of them, given the severity of the threat we face and the importance of the decisions we take, is that we look at all opportunities, discuss the issues and reach decisions that are right for the people of this country.

Nicola Blackwood (Oxford West and Abingdon) (Con): I thank the Home Secretary for her statement and I welcome the long overdue rebalancing between security and civil liberties that it signalled. Looking ahead, can she explain how the Government's work on communications data will impact on the agencies' ability to access it and to intercept communications where necessary?

Mrs May: My hon. Friend has raised an important issue. This is just one part of our ongoing work to ensure that the Government provide for the security and intelligence agencies and the police the necessary powers and tools that they need to keep us safe. We made it absolutely clear in the strategic defence and security review that we will introduce a programme to preserve the ability of the security, intelligence and law enforcement agencies to obtain communications data and to intercept communications within the appropriate legal framework. That work is ongoing; we are ensuring that that capability is retained.

Mr David Winnick (Walsall North) (Lab): I welcome the reduction of the period of detention from 28 to 14 days—although I wish it were without the reserve powers announced last week and again today—but is the Home Secretary aware that her statement on control orders will be very disappointing to many of us? It would be far better if the due process of law—ordinary law—were used in the fight against terrorism. No one in this House underestimates for one moment the terrorist danger, but we should be very careful about making intrusions into civil liberties—hence the disappointment on control orders.

Mrs May: It has been clear from the responses to my statement that there are differing views across the House. We all want to see terrorists investigated, prosecuted and brought to judgment. As I said, the best place for a terrorist is in a prison cell. We want to make every effort to ensure that the processes of investigation and prosecution can be successful, but in a small number of cases prosecution has not been possible and deportation is not possible, so the Government need to act in order to protect the public.

Mr William Cash (Stone) (Con): There is no freedom without security, so would the Home Secretary consider changing the proposed Bill's title from the protection of freedom Bill to the security and freedom Bill? The Lord Chief Justice and many others have highlighted the problem that the principles of habeas corpus, due process and fair trial have been significantly hijacked by human rights legislation and judicial interpretation, which have taken us significantly in the wrong direction.

Mrs May: I must confess to my hon. Friend that I wondered where his question was leading, but I should add that he did not disappoint me at the end. I will consider his suggestion, but I think that we have a very good title in the protection of freedom Bill.

Ian Paisley (North Antrim) (DUP): While, in cosy comfort and at times with chuckles, we in the House deal with the theory of terrorism, Belfast this morning unfortunately experienced the practice of terrorism when a massive explosive device was found. As a result, the whole of north Belfast was sealed off from commerce, schooling and everything else, which is the equivalent of sealing off the whole of the east end of London.

With that in mind, will the Home Secretary—whose statement I welcome—tell us whether the repeal of section 44 and its replacement with a more tightly defined power for police officers will be flexible enough to allow the police to deal with specific threats that have an impact on a border with a 200-mile radius? We do not want them to be confined to dealing with such tightly specific threats that they are prevented from policing Northern Ireland properly, and protecting it from a more generalised dissident republican threat.

With regard to the new money—

Mr Speaker: Order. I very much want to hear what the hon. Gentleman has to say, but I think that one question is enough. On days such as this, a great many Members wish to contribute.

Mrs May: The hon. Gentleman is right to raise the issue of the latest attempted terrorist attack in Northern Ireland. As he says, it involved a significant explosive device, and the action that had to be taken disrupted a significant number of people in Belfast. I am sure that all of us, on both sides of the House, are absolutely determined that people who perpetrate such acts should not be allowed to succeed.

Once again, I pay tribute to the work of the PSNI. We have been engaged in close discussions with the Northern Ireland Office—which, as I have said, has itself been engaged in discussions with the PSNI and the Justice Minister—about the operation of the section 44 replacement, if I may so describe the new power that will be available. I am confident that that new power will give the PSNI the capabilities that it requires, and I understand that later this week the Northern Ireland Office and the PSNI will discuss the protocols that will apply.

Mr James Clappison (Hertsmere) (Con): As a member of the Home Affairs Committee who has been involved in the saga of scrutinising the proposals for 14 days, 28 days, 60 days and 90 days as periods of pre-trial detention, I commend the approach taken by my right hon. Friend. May I urge her to be vigorous in her engagement with foreign Governments in order to facilitate the deportation of terrorist suspects in appropriate cases, thus reducing both the burden on the security services and the threat to citizens of this country?

Mrs May: My hon. Friend has made an extremely valid point. The Government will indeed be rigorous in their efforts to increase the number of countries with which we have agreements about the deportation of terrorists, so that we are able to deport them rather than their remaining in the United Kingdom.

Hazel Blears (Salford and Eccles) (Lab): As the Minister responsible, with the then Home Secretary, for taking the control orders legislation through the House, may I say that I deeply resent the implication by some Government Members that we welcomed the opportunity to incarcerate people without trial? Control orders were always an imperfect solution to an unprecedented terror threat.

Recently, in the High Court, Mr Justice Wilkie said of the subject of a control order that he had renewed:

"He was and remains prepared to be a martyr in an attack designed to take many lives. He remains highly trained, security conscious and committed."

Does the Home Secretary feel personally confident that the measures that she is introducing will protect the British people from people like that?

Mrs May: I have announced these measures precisely because we recognise the need to take action against a small number of people of the sort described by the right hon. Lady whom it has not been possible to prosecute or deport. I am confident that our measures will do the job that is necessary, preventing and disrupting terrorist activity and ensuring that we can keep people safe.

Dr Julian Huppert (Cambridge) (LD): There is much to welcome in the statement, which goes a long way towards reversing the worst infringements of civil liberties by the last Government, but when it comes to control orders, the details do matter. I am pleased to note the increased focus on prosecution, the justice system and the police, but can the Home Secretary confirm that when the legislation is published, we shall see a continued move away from a murky, spooky world and towards a legal and just world?

Mrs May: My hon. Friend is obviously particularly concerned about the civil liberties aspects of the proposals. I believe that the package that I have announced contains a series of measures that will enable us to protect the public and maintain our national security, while at the same time reducing our civil liberties—*[Interruption.]*. I mean that the measures will enable us to increase our civil liberties and reduce infringement of them. I am sorry: I was thinking about my hon. Friend's reference to a "murky, spooky world".

Let me simply say to my hon. Friend that it is necessary for our security services to be able to operate. The security services and the intelligence agencies do a valuable job for us in this country, and, by definition, what a security service does must remain secret.

Mr George Howarth (Knowsley) (Lab): In the context of civil liberties, which does the Home Secretary consider to be more draconian, a control order or 24-hour round-the-clock surveillance?

Mrs May: There is a significant difference between telling people that they cannot do something and watching people while they are doing certain things, while enabling them to lead as normal a life as possible commensurate with the protection of the public. That, I believe, is the balance that we have achieved in these new measures.

Lorraine Fullbrook (South Ribble) (Con): I welcome the Home Secretary's announcement about the Regulation of Investigatory Powers Act 2000. No longer will local authorities be able to spy on law-abiding residents who may commit heinous crimes such as putting out their dustbins or taking their children to school.

Mrs May: That is an extremely valid point. I believe that local authorities' misuse of RIPA powers has done much to reduce the public's confidence in counter-terrorism legislation, and that today's move is important for that reason.

Jeremy Corbyn (Islington North) (Lab): Is the Home Secretary entirely comfortable with the notion that individuals are held in British prisons without due process before being deported to countries that have not signed international conventions such as the United Nations convention against torture, where they may face an abuse of their human rights? Will she guarantee that in future no one will be deported to a country that has not signed the convention against torture?

Mrs May: The whole point of the discussions that we have with countries in order to be able to deport people is to ensure that those people will not suffer from abuses of their human rights when they are returned to those countries. I refer the hon. Gentleman to what my noble Friend Lord Macdonald said in his report on the review. As I said in my statement, he said that the Government's engagement with other countries on these issues was likely to have a positive effect on their human rights records.

Jonathan Evans (Cardiff North) (Con): I can inform the House—at the risk of provoking my hon. Friend the Member for Stone (Mr Cash)—that I led the delegation from the European Parliament that first briefed the United States Congress on British and European involvement in extraordinary rendition, at a time when Labour Members were maintaining in the House the fiction that our Government were not involved. Against that background, my right hon. Friend's statement is very important in rebalancing civil rights in this country. Will she comment on the suggestions that we should consider introducing much more post-charge questioning and the use of intercept evidence?

Mrs May: I am grateful to my hon. Friend for the work that he did in the European Parliament. I know that he has taken an interest in human rights matters there, and that he continues to take an interest in them in the House.

Today I laid before the House a written statement indicating that further work would be undertaken to investigate the possibility of the use of intercept evidence. I am pleased to say that we have been able to continue the valuable work of the Privy Council group of which the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith)—together with a number of Members of the House of Lords—is a distinguished member.

Mr David Hanson (Delyn) (Lab): Does the Home Secretary accept that those of us who signed section 44 orders and control orders did so for the purpose of preventing terrorism? Does she envisage any alterations in the regime governing the—I believe—eight individuals who are currently subject to control orders pending the changes that she is to introduce, and how does she expect to deal with the proposed extension of the pre-charge detention period from 14 to 28 days when Parliament is not sitting?

Mrs May: First, I recognise that individual Ministers have to take difficult decisions on the use of these powers. I am sure that all Ministers take those decisions with the right intentions, including that of maintaining the safety of the public. The current regime will continue until the end of the year, as I have made clear, and the measures necessary to continue that regime will be brought before both Houses of Parliament before 10 March, the date on which the legislation on that falls. The package that we have put together not only does exactly what the right hon. Gentleman wanted to do and what I want to do, which is to protect the public, but very importantly it ensures that we are maintaining our civil liberties and rolling back some of the infringements of them.

Mr Hanson: What if the House is in recess? *[Interruption.]*

Mrs May: I think that the Whip, the hon. Member for Ealing North (Stephen Pound), has told the right hon. Gentleman what he intends to do with the recess. If Parliament is in recess, it is perfectly possible that it can be recalled to bring in emergency measures. The right hon. Gentleman knew the answer to that question before he asked it.

Tom Brake (Carshalton and Wallington) (LD): The Home Secretary's statement will be welcomed by all those who value fundamental British rights and the defence of our national security. Can she confirm that emergency powers will not be used as a back-door ruse to reinstate some of Labour's human rights-busting counter-terrorism legislation? This Government believe in the judicial process and will seek to prosecute alleged terrorists, not to detain them indefinitely and arbitrarily.

Mrs May: On the indefinite detention of people, I can confirm to my hon. Friend that we will be introducing a two-year limit in the new measures. It will then be possible to put a new measure in place if it has been clear that somebody has been undertaking further terrorist activity, but that two-year limit is an important power that we will be ensuring is on the statute book.

Paul Goggins (Wythenshawe and Sale East) (Lab): Further to the question asked by the hon. Member for North Antrim (Ian Paisley), may I press the Home Secretary further on section 44? Whatever the problems in Great Britain, there is no question in my mind but that section 44 has saved lives in Northern Ireland. The power has been used proportionately by the Police Service of Northern Ireland, in tandem with the powers under the Justice and Security (Northern Ireland) Act 2007, to uncover and disrupt activity by terrorists. I will want to look, as others will, at the detailed proposals that she introduces, but she has described them as very tightly circumscribed. Is she not concerned that she may tie the hands of the PSNI?

Mrs May: The right hon. Gentleman's description of the PSNI's use of section 44 is accurate, because the PSNI used it very carefully—more carefully than police forces on the mainland. He rightly says that, as a result, terrorist attacks were disrupted and prevented. We have been very careful in discussions, and it has been of particular concern to ensure that the power that we are proposing will be usable by the PSNI and will enable it to continue to do what it needs to prevent terrorist attacks in Northern Ireland.

Mr Dominic Raab (Esher and Walton) (Con): I commend the Home Secretary on the important steps that she has taken towards reversing the draconian drift under the previous Government. I am disappointed that the coalition has not scrapped control orders altogether, but even more important is the need to reverse the collapse in counter-terrorism convictions of 90% in the past four years. May I just ask about the written statement on intercept evidence? Are the Government now committed to lifting the ban? Has the question now changed from "if" to "when and how"?

Mrs May: The Government have always had a commitment, including in the coalition agreement, to examine the possibility of using intercept material as evidence. It is on that basis that we have asked that further work be done to examine a number of issues associated with practicality, affordability and how an intercept-as-evidence regime could operate. It is a mistake for anybody in this House to think that using intercept as evidence is somehow the silver bullet that will take away all our other issues and requirements. Work has been done to examine existing cases and ask whether a prosecution would have been made possible had intercept as evidence been available. I believe that I am right in saying that in all cases—although I hesitate in saying "all" because I cannot remember the exact numbers—such evidence would not have made that possible. That is certainly true of most cases.

Caroline Lucas (Brighton, Pavilion) (Green): I welcome the direction taken by the Home Secretary. It is an indictment of the previous Government that it has taken a Tory-led Government to restore at least some of our civil liberties, albeit in a very halting way. I want to take her back to her decision not to use this opportunity to bring back control orders within the normal judicial process as a form of police bail. Does the failure to do that not simply mean that we still have control orders, albeit by another name?

Mrs May: No, we do not. We are repealing control orders and introducing a new set of measures that have more tightly targeted restrictions on individuals and that, in some areas, significantly increase the flexibility for those individuals to work and study and give them some access to communications. May I correct the hon. Lady on one point? It is the coalition Government who have brought this package of proposals before the House today and both parties in the coalition were clear in the run-up to the election and following it that action needed to be taken to rebalance national security and civil liberties.

Richard Fuller (Bedford) (Con): There is much to welcome in my right hon. Friend's statement, but thousands of people around the world are subject to arbitrary internment by Executive fiat and they should look to Britain as a beacon of freedom. What consideration has she made of the impact on this nation's voice for liberty and justice arising from this lost opportunity to place control orders where they should be: fully within the criminal justice system?

Mrs May: I think that people will look at what the Government have done today and see a responsible Government who have recognised the need to ensure that the protection of the public and national security is our priority while retaining and strengthening those freedoms and civil liberties that we have valued over the centuries.

Mr Pat McFadden (Wolverhampton South East) (Lab): The debate at the heart of government on these issues has been based on the wrong premise that it is the laws put in place by the previous Government to protect the public against terrorism that pose a threat to our liberties. The threat to our liberties comes from those who want to kill innocent people. Today's announcement waters down the control that we have over terrorist suspects, increases the risk that we would lose control over those suspects, and increases costs and pressures on our hard-pressed security services. Does the Home Secretary accept that, if one of the people currently subject to those restrictions is found to be engaged in a terrorist act, the public will rightly look back on this announcement as both dangerous and complacent?

Mrs May: I reject the right hon. Gentleman's description of the situation and of the balance between national security and civil liberties. Of course it is the terrorists who pose a threat to our civil liberties and to life and limb, and it is right that the Government do everything they can to ensure that they protect the public against that terrorist threat, but if legislation infringes people's civil liberties and by its very operation reduces the public's confidence in counter-terrorism legislation, that also has an impact. It is right that this Government should examine the measures that the previous Government introduced—which before the election both coalition parties felt had gone too far in a number of areas and, on control orders, the courts had found were too draconian—and deal with them as we are today, which will continue to protect the public.

Guy Opperman (Hexham) (Con): I remind the House that I had a former profession as a barrister for the Attorney-General. The Home Secretary has said that the curfew element of the control order will be replaced by—

Kevin Brennan (Cardiff West) (Lab): Surely the hon. Gentleman does not need to read his question if he is a barrister.

Guy Opperman: Thank you; any time you want to get it going, you can.

The Home Secretary has said that this will be replaced by an overnight residence provision. Could she tell us more about that? Will there be significant differences between the past and present situations?

Mrs May: Yes, there are significant differences between the past and present situations. The curfews under the control order regime allow 16 hours of detention in the home. The overnight residence requirement will replace the curfews and there will be a requirement for people to stay normally in their nominated home overnight. Most people would consider a normal overnight residence to be eight to 10 hours, but we are not suggesting that we should put a figure in the legislation. That would be a matter for the courts to decide. There is a significant difference between the proposal we are making and the regime that the previous Government introduced.

Thomas Docherty (Dunfermline and West Fife) (Lab): Just like the "Grand Old Duchess of York", the right hon. Lady marched the Liberal Democrats up a hill last May and has brought them back down again this week. On the specific issue of what she now calls the overnight residence requirement, does she not accept that if something acts like a curfew, looks like a curfew and sounds like a curfew, it is a curfew?

Mrs May: No, I have just explained the differences between the curfew and the overnight residence requirement.

Nadhim Zahawi (Stratford-on-Avon) (Con): May I congratulate the Home Secretary on the decision to allow Lord Macdonald to oversee and approve the process for the review? The Labour party has complained about the process. Does my right hon. Friend recall the previous Government making provision for such a review to have independent oversight?

Mrs May: No, I do not recall the previous Government ever doing something like that—[Hon. Members: "Lord Carlile!"] Opposition Members mention Lord Carlile, but he did not undertake a review of this sort. He was the independent reviewer of counter-terrorism legislation and he continued in that role. May I take this opportunity to pay tribute to the work that he has done for a number of years in that role? He will be replaced in it by David Anderson, QC next month. The previous Government did not produce such a review or enable Parliament to have a discussion or debate such as that we will have on the counter-terrorism legislation. I am pleased to say that my noble Friend Lord Macdonald has said that he found the process of the review to be "sound" and

"The evidence base for the Review's conclusions"

to be "extensive".

Ian Austin (Dudley North) (Lab): The truth is that the vast majority of British people will be very concerned that the control orders regime is being watered down as a result of party political considerations and not as a result of national security considerations. If any of the people involved are caught using the new freedoms that the Home Secretary is going to give them and using the mobile phones and computers that she is going to allow them to have to plot terrorist activities, to encourage other people to engage in terrorist activities, to radicalise people or to promote extremism, will she be prepared to resign?

Mrs May: The hon. Gentleman clearly does not appreciate the purpose of what is being done and the Government's intention. The answer to his question is that if there is evidence that an individual has been engaging in terrorist activity, they will be charged and prosecuted.

Michael Ellis (Northampton North) (Con): May I congratulate the Home Secretary on establishing a wholly new and more balanced counter-terrorist regime that restores civil liberties lost under the previous Labour Government but that still gives police the power they need to keep us safe in this country?

Mrs May: I thank my hon. Friend. I think that the vast majority of the public will see that the Government have done exactly what we said we would do when we came into power, which is to restore the balance between national security and civil liberties. That will be welcomed.

Kevin Brennan (Cardiff West) (Lab): What will happen if, after two years of the Home Secretary's new form of control order, an individual has not committed any terrorist actions and cannot be deported or prosecuted but we know that they still represent a threat? What will happen then?

Mrs May: As I have made clear, there is a two-year limit on the new measures. It will be possible, if further evidence of terrorist activity is found, to impose a further measure. The idea that, as the previous Government thought, the Government can under some measure have people parked indefinitely was a problem identified with the previous control order regime, and one of the issues that we have addressed.

Christopher Pincher (Tamworth) (Con): Although I appreciate that the Home Secretary might be a little constrained in what she can say, will she nevertheless give an indication of the reactions she has had from the police and security services to the content of her statement today?

Mrs May: I am certainly happy to inform the House that I have had a positive reaction to the statement, in that the director general of the Security Service has told me that he considers that the changes provide an acceptable balance between the needs of security and of civil liberties and that the overall package mitigates risks. As we said in the review:

"an approach that scrapped control orders and introduced more precisely focused and targeted restrictions, supported by increased covert investigative resources, would mitigate risk while increasing civil liberties. Such a scheme could better balance the priorities of prosecution and public protection."

All parties will see that.

Chris Bryant (Rhondda) (Lab): The Home Secretary has said that she will publish two separate pieces of draft primary legislation. They will sit around and we will be able to chat about them, but she will not introduce them until there is suddenly some specific reason—such as a court case—for her to do so. We will then suddenly have to pass the legislation in one day. Surely it would make far more sense to go through the legislative process so that we can table amendments and consider the legislation properly without the burden of the emergency affecting the debate. Would that not avoid the danger that the courts might decide that there was no proper opportunity for a free and fair trial given that Parliament had already effectively decided that the people involved were guilty?

Mrs May: We have proposed that the emergency legislation on 28 days' pre-charge detention should be subject to pre-legislative scrutiny so that there is an opportunity for it to be considered, as I have made clear. If the hon. Gentleman is so concerned about the process that we propose, why did he support it when his Government introduced it for the 42 days' pre-charge detention?

Pete Wishart (Perth and North Perthshire) (SNP): It was all going so well. There we were, happily dismantling Labour's anti-civil libertarian agenda, when along came this review. With respect to the right hon. Lady, she has simply done "a Labour" on control orders. Her proposals seem and feel just like the Labour control orders. At what point did she abandon her plans to get rid of control orders entirely and come up with control orders No. 2?

Mrs May: The commitment was always to review control orders. We were always absolutely clear that national security took priority, but we needed to rebalance civil liberties and national security. I believe that that is what this package does.

Point of Order

2.17 pm

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): On a point of order, Mr Speaker. The Home Secretary did not answer the question about the level of resources that will be given to the security services and the police, although that information is in *The Daily Telegraph* today. We recognise that some information will need to be kept secret, but this information is directly relevant to the effectiveness of the new regime proposed by the Home Secretary. Will you use your offices to look further into why the House is not being given information that seems to be being given to the newspapers?

Mr Speaker: It is important that we should not continue the debate subsequent to the statement. I have let the statement run relatively long because it is an extremely important matter and the Front-Bench contributions were, understandably, a bit longer than normal. On this occasion, all that I want to say is that information about the policy of the Government should without exception be communicated first to the House. If for some reason that is not the case—the right hon. Lady has registered her concern that that might be so—that concern will have been heard. That was a point of order and it is open to the Home Secretary to respond to it if she wants, but she is under no obligation to do so as she has made a full statement.

The Secretary of State for the Home Department (Mrs Theresa May) *indicated dissent.*

Mr Speaker: The Home Secretary does not wish to do so. So be it.

BILL PRESENTED

Education Bill

Presentation and First Reading (Standing Order No. 57)

Secretary Michael Gove, supported by the Prime Minister, the Deputy Prime Minister, Mr Chancellor of the Exchequer, Secretary Vince Cable, Sarah Teather, Mr Nick Gibb, Mr David Willetts and Mr John Hayes, presented a Bill to make provision about education, childcare, apprenticeships and training; to make provision about schools and the school workforce, institutions within the further education sector and Academies; to abolish the General Teaching Council for England, the Training and Development Agency for Schools, the School Support Staff Negotiating Body, the Qualifications and Curriculum Development Agency and the Young People's Learning Agency for England; to make provision about the Office of Qualifications and Examinations Regulation and the Chief Executive of Skills Funding; to make provision about student loans and fees; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 137) with explanatory notes (Bill 137-EN).

Carers and Employment

Motion for leave to bring in a Bill (Standing Order No. 23)

2.19 pm

Mr Mark Williams (Ceredigion) (LD): I beg to move,

That leave be given to bring in a Bill to make provision for carers' rights to flexible working; and for connected purposes.

Carers play a vital role in our society. Not only do they care for friends, family and others and provide support that would otherwise be provided by the state, but many—3 million—also work either full or part-time. A further 1.3 million carers of working age are not in paid employment—some out of choice. Many of those carers want to work but recognise that they would have to juggle work with their caring responsibilities. Financial concerns are by no means the only problem that carers face, but balancing care and work is clearly a significant challenge. A survey of 3,000 Parkinson's carers showed that a quarter of them were worse off financially since taking on a caring role, with 14% having had to leave work and 8% having reduced their work since starting caring.

The Work and Families Act 2006 gave carers significant rights to request flexible working, but my Bill would simplify the definition and make legislation easier for carers and employers to apply. In bringing forward the Bill, I do not criticise that legislation, which was in many ways groundbreaking and was a significant step forward; rather, I hope to build on and improve it. The coalition agreement between my party and the Conservatives states that the Government will

"extend the right to request flexible working to all employees, consulting with business on how best to do so."

I warmly welcome that commitment and I shall set out some of the areas it would be helpful for the Government to consider in relation to carers. Flexible working is a goal we should be achieving for all workers, but my Bill focuses on the particular circumstances of carers.

Currently, the definition of carers provides a long list of those eligible to request flexible working, including those caring for a spouse, for a partner with whom they live, for a civil partner or for a relative. Relatives include parents, parents-in-law, adult children, adopted adult children, siblings, including siblings-in-law, uncles, aunts, grandparents and step-relatives. Also eligible are those caring for and living at the same address as the adult in need of care. Despite that extensive definition, certain groups of carers are still excluded, such as those caring for people to whom they are not closely related or who do not live in the same accommodation, which could amount to as many as 75,000 carers nationwide. We often talk about numbers, but let me put that figure into context. Carers UK has told me about a man who cares for his ex-wife and is not covered by the definition and about a single man who has fallen out with his family and is cared for by a friend who does not live at the same property and, again, is not covered by the definition. Those are real people who have experienced difficulties in making requests and fulfilling their work and care responsibilities because of the definition, which, although broad and significant, excludes many people.

During the consultation on the regulations in 2006, some groups said that the burden would be too onerous and argued for a more prescriptive definition, but many

employers said that the definition was overly complex and that they wanted something simpler, even if that meant a broader definition or, indeed, no definition at all. A 2006 survey of four major employers found that they operated lighter-touch policies than required under the regulations and that none of them asked for any information about the relationship of the carer to the person being cared for. The most important thing for any employer is the impact that the policy has on their work, whereas the definition of who is being provided with care is of little concern to them.

Answers to parliamentary questions in September 2008 on the acceptance of requests for flexible working did not include figures for carers, but they showed that employers are increasingly responsive to the needs of those who wish to work flexibly, with 78% of requests being accepted. Not all employers will be able to accommodate requests, but those who do often recognise the importance of supporting their employees. It is key that when a request is made, an employer should reject it only where there is a clear business reason to do so, that they must explain their reason to the employee and that there should be an appeals process. Many employers have found that rather than being a burden, flexible working can help them to extend working hours and spread out work.

In 2009, the Equality and Human Rights Commission published a report, "Working Better", which recommended changes to the regulations on flexible working. Its research found that awareness of those rights was low and that they were still widely perceived as being the preserve of mothers with young children. For those who care, there are additional barriers to flexible working, as is borne out by the figures in the 2005 report "Ordinary lives: Disabled children and their families", which found that only 16% of the mothers of disabled children are able to work compared with more than 60% of mothers generally.

I hope that the Bill will also address the issue that many carers face of their commitments changing, sometimes quite rapidly, in relation to the kind of care they deliver. I recently spoke to a man whose wife had been diagnosed with motor neurone disease. His experience with his employers was very positive: when she first became ill, he was able to fit his hours around hospital visits, but he then had to reduce his hours to a nine-hour week for three months before asking for a care break of 12 months which was later extended to 15 months as his wife's condition deteriorated. Not long after, she died. His company told him that although they could not guarantee to hold his job open, he could return at the same grade and not lose out. It is worth quoting what he told me:

> "This removed so much strain for me, as I knew I had a future to look forward to after my wife had died and I would not suddenly have to start job hunting the day after."

He has now devoted himself to the work of the Motor Neurone Disease Association and chairs a local branch of MND. He reports that, regrettably, many people in similar positions are not so fortunate as he was. There is a real need to ensure that employers recognise the importance of this policy and that examples of good practice can be extended.

Much of the responsibility for carers' issues in Wales is rightly devolved to the National Assembly Government, but the issue of flexible working remains with the Government in Westminster. In Wales, more than 150,000 people are in paid employment and have unpaid caring responsibilities. Some 60% of male carers and 32% of female carers in Wales combine caring with full-time employment, and 6% of male carers and 27% of female carers combine caring with part-time employment. There are examples of good practice, however: Carers Wales has highlighted the carers' policies produced by Cardiff council and the Velindre NHS trust. Carers Wales has also worked with other local authorities and the Welsh Assembly Government on developing policies in support of caring.

The final point that my Bill would address is the fact that employees currently have to wait six months until they can request flexible working, although many employers provide these rights from day one. People with significant caring responsibilities need to work flexibly from when they start and the regulations might make it difficult for them to find a job that accommodates their caring responsibilities. The Employers for Carers leadership group has suggested that the Government should consider that as part of their consultation on flexible working. Many employers would welcome that being settled when an employee first starts working for them. I hope that the Government will seriously consider the issue of day-one rights. As was stated in the EHRC report, the current regulations do nothing

> "to reach people who are unemployed, moving in and out of insecure employment, or returning to work after a career break."

The Bill is about cutting the red tape associated with requests for flexible working and simplifying the process. It is about identifying the many examples of good practice in large and small workplaces across the UK and about ensuring that this good practice is supported and emulated by all employers. One million carers give up work to care, and there is a real need to encourage good practice on flexible working to ensure that carers can stay in work. My hope and aim in bringing forward this Bill, with the help of Carers UK and Carers Wales, is that the Government will consider these matters very carefully as part of their consultation and that they will introduce rules that will ensure comprehensive rights to flexible working for carers in the many different situations in which carers find themselves.

Question put and agreed to.

Ordered,

That Mr Mark Williams, Dr Hywel Francis, Jonathan Edwards, Lorely Burt, Annette Brooke, Jessica Morden, Roger Williams, Tony Baldry, Laura Sandys, Malcolm Wicks and Albert Owen present the Bill.

Mark Williams accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 17 June, and to be printed (Bill 36).

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Madam Deputy Speaker. You will recall that at lunchtime the Prime Minister indicated that the hon. Member for Belfast West (Mr Adams) had accepted an office of the Crown. However, it is our understanding from press reports coming out of Belfast that Sinn Fein is denying this. Clearly, this is a matter that will continue to trouble the House for some time. Has the Speaker's Office received notification from the Government that Mr Adams has indeed accepted a paid office of the Crown?

Madam Deputy Speaker (Dawn Primarolo): I have no knowledge of the matter. If and when the Speaker receives notification from the Treasury, he will cause it to be included in the *Votes and Proceedings* of the House. That is as much as I can do to help the hon. Gentleman on his point of order.

Mr Nigel Dodds (Belfast North) (DUP): Further to that point of order, Madam Deputy Speaker. I understand that a Member must apply for an office of profit. If there is any departure from that procedure, may we have a statement to the House? Will the Speaker inform the House of any departure from the accepted conventions, traditions and procedures of the House so that we are clear about the circumstances in which such a bizarre resignation is happening?

Madam Deputy Speaker: Although I appreciate that the hon. Gentleman has a great interest in the matter and that other Members may well have the same interest, it is not a point of order for me or for Mr. Speaker. If notification is received, the Speaker would place it in the *Votes and Proceedings* of the House. That is as much as I can help the hon. Gentleman with the matter.

Business without Debate

EUROPEAN UNION DOCUMENT

Motion made, and Question put forthwith (Standing Order No. 119(11)),

CROSS-BORDER ENFORCEMENT

That this House takes note of European Union Document No. 7984/08 and Addenda 1 and 2, Unnumbered Explanatory Memorandum dated 13 September 2010 and Unnumbered Supplementary Explanatory Memorandum dated 21 December 2010, submitted by the Department for Transport, relating to facilitating cross-border enforcement in the field of road safety; and notes that the Government is deciding whether or not to opt in to this Directive under the terms of Protocol 21 of the Treaty on the Functioning of the European Union on the position of the United Kingdom in respect of the area of Freedom, Security and Justice.—*(Mike Penning.)*

Question agreed to.

European Union Bill

[4TH ALLOCATED DAY]

[Relevant document: The Fifteenth Report from the European Scrutiny Committee, The EU Bill: Restrictions on Treaties and Decisions relating to the EU, HC 682.]

Further considered in Committee

[DAWN PRIMAROLO *in the Chair*]

Clause 7

DECISIONS REQUIRING APPROVAL BY ACT

2.33 pm

Chris Heaton-Harris (Daventry) (Con): I beg to move amendment 24, page 6, line 7, at end insert—

'(e) a decision under Article 218(8) of TFEU for the accession of the European Union to the European Convention for the Protection of Human Rights and Fundamental Freedoms in accordance with Article 6(2) of TEU.'.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): With this it will be convenient to discuss the following:

Amendment 45, page 6, line 25, at end insert—

'(da) a decision implemented through the solidarity clause under Article 222 that obliges the United Kingdom to provide assistance to another Member State which is the object of a terrorist attack or the victim of a natural or man-made disaster.'.

Amendment 25, in clause 10, page 8, line 34, leave out subsection (2).

Chris Heaton-Harris: It is a pleasure to come back for a third day of excitement this week, talking about Europe. I thought that when I left the European Parliament, I might be able to ditch that part of my life and move on to something interesting. It seems to wear one down, like a terrible weight around one's neck.

I want to see whether I can tidy up a few parts of the Bill which, I believe, could be helped. Currently the European Union is not party to the European convention for the protection of human rights and fundamental freedoms, the ECHR. The Lisbon treaty, however, introduced what is now article 6(2) of the treaty on the European Union, which provides that the EU will accede to the ECHR. This accession agreement—in effect a treaty between the EU and the states party to the ECHR—is being negotiated.

Article 218(8) of the treaty on the functioning of the European Union provides that once negotiated, the accession agreement must be concluded, for the EU's part, by unanimity in the Council. The same article states that after adoption by the Council, the EU decision concluding the agreement must also be

"approved by the Member States in accordance with their respective constitutional requirements"

before it can come into force.

Under current UK law, this approval may require an Act of Parliament. Clause 10, however, where this matter currently resides, requires only a resolution of approval

in each House. Indeed, the definition of parliamentary approval in clause 10(3) does not seem well suited to the approval of a decision adopted by the Council under article 218(8), because the resolution of approval specified concerns approval of a draft decision.

Until the article 218(8) TFEU conclusion has come into force, the EU cannot accede to the ECHR. This is a complicated treaty between the EU and the ECHR and warrants a great deal of scrutiny. It will have a number of indirect effects on the United Kingdom.

Andrew Percy (Brigg and Goole) (Con): I, too, wish we could be free of the European Union, but that is a debate for another day. Does my hon. Friend agree that, given where we are on prisoners' voting rights, as well as the growth of rights under the ECHR and the controversy surrounding that, we need to ensure maximum parliamentary scrutiny of decisions such as the one that he is describing?

Chris Heaton-Harris: Indeed. I know that there is to be a Backbench Business Committee debate on the matter in the not-too-distant future, in which I hope that Members across the House can voice their concerns about that ruling.

I return to the proposal to move one part of the Bill from clause 10 to clause 7. I was speaking about the indirect effects on the United Kingdom that the accession of the EU to the EHCR might have. When the accession takes place, the EU will be able to be taken to the European Court of Human Rights, which will undoubtedly lead to more cases, more cost and impact and, most importantly, more jurisprudence on EU law.

I am seeking not to upgrade the requirement for scrutiny, but to maintain the present level. Furthermore, I am concerned that in clauses 6 and 7, a few article 48(7) ratchet decisions are not caught by the Bill. Such decisions would be those applying to the EU's ordinary legislative procedure where the EU treaties currently require a special legislative procedure, and the existing special legislative procedure does not require unanimity in the Council. In other words, while a switch in EU legislative procedure would be taking place, it would not involve abolition of a veto because a veto did not exist in the first place. However, the EU's ordinary legislative procedure entails the European Parliament having co-decision rights with the Council. It can table amendments to a proposed law and veto the Council's desired law. In general, a switch to the ordinary legislative procedure would take EU decision making further out of the hands of national Governments and give greater power to a supranational institution.

The article 48(7) ratchet clauses not covered by the Bill would confer new co-decision rights on the European Parliament in a few areas of EU law that I shall list now, and many more. Article 23 provides that every EU citizen has the right to diplomatic protection. We had a debate on what that might mean to the individual. I am speaking now about our power to scrutinise such decisions. Article 182(4) allows the Council to adopt, through qualified-majority voting, but only after consultation of the European Parliament, specific EU research and development programmes. These must accord with the multi-year EU framework programme for research and development that is decided through the ordinary legislative procedure, but the decision on specific programmes sets their duration, the precise financial contribution by the EU—essentially by us—and the detailed rules for implementation. Furthermore, article 349 provides that the Council can adopt legislative measures on how EU treaties apply to areas known in wonderful EU parlance as the outermost regions. The way in which such specific decisions are dealt with in the Bill would be a retrograde step for democratic control, hence my amendment.

Mr William Cash (Stone) (Con): I rise to support my hon. Friend the Member for Daventry (Chris Heaton-Harris) in the arguments that he has adduced. Since the Maastricht treaty, I have been gravely concerned about the operation of co-decision, and that is the best part of 20 years ago. The bottom line is that the situation has become increasingly difficult and unacceptable. The European Parliament, which is not a real Parliament at all—I see the Minister sighing. He cannot understand that the difference in the manner in which the European Parliament is elected, the difference in its procedures, the extent to which it holds Ministers to account, the intrusion of the process of proportional representation and the manner in which that operates, and many other aspects of the institutional difficulties and the democratic deficit that exists in the EU, are all part and parcel of the necessity to retain control in the hands of the national Parliaments. Unfortunately, for all the reasons given by my hon. Friend, for these specific matters there is an extension of this strange creature which used to be called co-decision, but which now, in typical Eurospeak, has become the ordinary legislative procedure. It is not ordinary at all, it is quite extraordinary, and it is not a legislative procedure in the sense in which we are legislating in this House.

The Temporary Chairman (Martin Caton): Order. May I ask which amendment the hon. Gentleman is speaking to?

Mr Cash: I am speaking about the general principle relating to the question of co-decision in the context of the amendments—

The Temporary Chairman: Order. The hon. Gentleman knows that when we are dealing with amendments, we deal with the amendments, not with general principles. If he could come on to the amendments in the group, I would be grateful.

Mr Cash: I am dealing specifically with amendment 24, moved by my hon. Friend the Member for Daventry, and supporting his arguments. My amendments are, in general terms, supportable in accordance with the arguments I have set out, and I have no further comments to make on them at the moment.

Mr Nigel Dodds (Belfast North) (DUP): On the point made by the hon. Member for Daventry (Chris Heaton-Harris) about needing an Act of Parliament as opposed to a resolution of both Houses, is not one of the advantages of such a course that it gives more time for scrutiny, and that an Act is amendable in a much greater way than a mere resolution? Given the importance of the issues that the hon. Gentleman outlined, it is vital that measures to do not get passed into law here in the UK indirectly or by accident, or by unintended consequences, as so often happens.

Mr Cash: That is exactly the point. The combined effect of the amendments that we are discussing is directly related to what the hon. Gentleman says and to what my hon. Friend the Member for Daventry said. It is about time that the Committee understood that the importance of these debates is not being reflected by the votes or by the Government's attitude. So far, they are not accepting any of the amendments. The European Scrutiny Committee has produced a report, and most of the amendments arise from it, including the ones we are discussing. My hon. Friend is a member of that Committee, and other members of the Committee are here as well. The net result is that we are not discussing the amendments properly.

The Temporary Chairman: Order. The hon. Gentleman seems to be talking about clause 9, but we are talking about two specific amendments to clause 7.

Mr Cash: I am happy to endorse the view that has been expressed. I wanted to make a general point, and that is really all I need to say at this stage.

Mr Wayne David (Caerphilly) (Lab): I would like to address my remarks to clauses 7, 8, 9 and 10, rather than to the amendments.

The Temporary Chairman: The hon. Gentleman will be able to talk about clause 7 when we come on to clause stand part.

2.45 pm

The Minister for Europe (Mr David Lidington): Amendments 24 and 25 would require that before the EU can accede to the European convention on human rights, Parliament would need to approve the EU's accession by Act of Parliament. At present, the EU and its institutions cannot be held to account for the fulfilment of its existing international legal obligations by the ECHR in the same way as the EU member states all can. Accession by the EU to the convention would close this gap.

EU accession to the ECHR is, as I think my hon. Friend the Member for Daventry (Chris Heaton-Harris) acknowledged, already expressly provided for in the EU treaties, as amended by the treaty of Lisbon. Article 6(2) of the treaty on the EU provides that

"the Union shall accede to the ECHR".

Mr James Clappison (Hertsmere) (Con): I am sure that in his usual persuasive way my right hon. Friend will give us a very good account of the legal case for the EU acceding to the ECHR. I hope that as he does so he will dispel the suspicion that is forming in many people's minds that the real reason, never mind the complicated legal rationale that he has given, is to put the EU on the same footing as the other signatories to the convention, which are all member states, and to give the EU the character of a member state. It is only member states that have acceded to the ECHR, and all the members of the EU have done so. I am sure that my right hon. Friend will give us a very thorough explanation, which will also serve to dispel that suspicion that is forming in many people's minds.

Mr Lidington: Certainly I agree that it is important to keep in our minds the distinction between the member states and the EU as an entity. It is therefore important that the treaties set out plainly that accession to the convention would not affect the EU's competences in any way, and that any extension or enlargement of EU competence would therefore have to be obtained by the normal process of treaty amendment, which is subject to the various checks that we are laying out in this legislation. Under protocol 8 to the treaties, it is also made clear that the Union's accession to the ECHR will in no way affect the situation of the individual member states as parties to that convention. So the accession by the EU to the convention cannot give further powers or competences to the EU, nor will it affect member states' own standing with respect to the ECHR.

In dealing with Council of Europe matters, the Government are always on the alert to avoid creating either the impression or the reality that EU member states, which are all individually parties to the ECHR, are acting as a bloc. The situation is unusual, because the Council of Europe is an institution in which EU member states have a majority over other state parties. Therefore, it is important that that distinction of principle to which my hon. Friend alluded is maintained.

Mr Clappison: May I say—I hope the Minister will appreciate this—that he has been extremely assiduous in attending to Council of Europe matters and exemplary in discharging his ministerial responsibility in respect of them? He made an extremely important point about the Council of Europe, which is that it includes many other nations that are not EU member states. It is a good thing for countries that are members of the Council of Europe to be dealt with individually, including those that also happen to be EU member states, so as not to create in any sense the impression that there is an EU bloc, because that has a bad impact on human rights in Europe, extending more widely than just the EU.

Mr Lidington: I agree. Quite apart from any constitutional or legal significance, it would be politically and diplomatically counter-productive to go down the route that my hon. Friend has rightly warned against. Whether the UK as state party should continue to have the relationship with the European convention on human rights that we currently have is a matter of intense in the debate in the House, and Members on both sides of the Committee have their views on that.

The point for the purposes of this afternoon's considerations is that the accession of the EU to the ECHR would make no practical difference to the UK's position. The Government see some advantages in EU accession, because the European Court of Human Rights in Strasbourg could act as a direct check on how EU institutions exercise their powers, in exactly the same way it acts as a check on the actions of all other signatories to the convention. I know that some of my hon. Friends will say that they believe that the European Court of Human Rights should not have that type of authority over this country, but I say to them that it is my belief that the EU and its institutions should be held to the same standards on human rights as we expect of member states.

Jacob Rees-Mogg (North East Somerset) (Con): I thank the Minister for giving way and for his patient responses to so many questions. I wonder whether it is

necessary for the EU to sign up to the ECHR, because we have already debated the question of how EU law comes into effect in this country, which is by Act of Parliament. Therefore, any decision made by the EU can come into effect here only under our own laws, which are of course already justiciable under the European Court of Human Rights. This is not so much an added safeguard as a symbolic step towards creating the European Union as a state.

Mr Lidington: We certainly need to guard against that. The Government have accepted, as did the Conservative party before the general election, that the ratification of the Lisbon treaty is a political and legal reality and that we will work within that context. The treaty states that the EU shall accede to the ECHR, and it also provides that the judgments of the European Court of Human Rights should be considered, once accession has taken place, as general principles of EU law. In those circumstances, one would expect that those in the Commission who are responsible for drafting European directives and other legislative initiatives would have regard to the judgments of the Court and would frame draft European legislation in order to meet the standards of that jurisprudence.

Jacob Rees-Mogg: Will the Minister clarify Her Majesty's Government's view of the Lisbon treaty, because it seems to me that they are in quite a strong position to say that things that have not already been done, which are subject to unanimity before they can be implemented, need not be implemented by the Government?

Mr Lidington: There is a clear statement on the face of the treaty that the EU shall accede to the European convention on human rights, and the Government's position is that we accepted that statement and that commitment as part of the Lisbon treaty. As I hope to explain shortly, the law and our procedures in this House provide a number of safeguards that, I believe, will enable the House of Commons and the other place to scrutinise in detail any proposal for accession when it comes forward.

Mr Cash: Will the Minister give way?

Mr Lidington: I will give way, but a large group of amendments is listed on the Order Paper for consideration later today, and those amendments stand in the names of many hon. and right hon. Members. I want to try to limit my comments on the early group so that we have time for a thorough debate on those amendments on justice and home affairs, which I think the Committee would expect.

Mr Cash: I have already been helpful to the Minister in limiting my earlier remarks. Having said that, I would point out to him that this afternoon the European Scrutiny Committee has considered the document, "EU Accession to the European Convention on Human Rights", and set out in full, for the purposes of ensuring that the House is properly informed about what all the arguments amount to, both the questions and answers that he has given to that Committee. In particular, we include his letter of 30 June, our letter of 8 September and his letter of 21 September, and the detailed matters that arose on that, which take up two pages. We include our letter of 27 October and the explanatory memorandum of 15 November. The idea that the Minister can slide past this—

The Temporary Chair (Martin Caton): The hon. Gentleman is supposed to be making an intervention, not a speech.

Mr Cash: There is an obligation to answer this point.

Mr Lidington: I look forward with relish to studying the European Scrutiny Committee's conclusions.

There are already a number of ways for the Government and Parliament to exercise control over the precise terms of the EU's accession agreement. Article 218(8) of the TFEU makes it clear that accession would be subject to unanimous agreement by the Council and that the Council's decisions to conclude the agreement cannot enter into force until it has been approved by all member states individually and in accordance with their respective constitutional requirements, which are entirely a matter for each member state.

In addition, all EU member states are also parties to the European convention on human rights in their own right and will also be parties to the accession instrument. As with any other treaty to which the UK is party, the final accession agreement will be subject to the procedures under part 2 of the Constitutional Reform and Governance Act 2010—the codification of the Ponsonby procedures. That requires the agreement to be laid before Parliament for 21 sitting days, during which time either House may resolve that it should not be ratified. On top of those two levels of control, clause 10 of the Bill will add an additional layer of accountability by requiring a positive vote in favour of the agreement in each House before the UK could approve the EU's decision to conclude such an agreement.

Chris Heaton-Harris: I do not want at all to talk about the detail of the European convention on human rights, but I make the point that we will probably need an Act of Parliament, or a resolution as it stands. I do not intend to press the amendment, but I wanted to ensure that the Minister completely understood my reasons for tabling and for wanting appropriate scrutiny of the points that it raises.

Mr Lidington: I completely understand my hon. Friend's motives, and if I may say so without bringing him into complete disrepute with a number of other hon. Members on the Back Benches, he has played an extremely active and constructive part in our debates in Committee and has adeptly and correctly spotted some loopholes in the Bill that have led the Government to bring forward amendments to respond to the them.

Given that a number of control mechanisms already exist, that the accession agreement does no more than spell out the detail of something already provided for in the treaties and, most importantly, that there is no practical effect of EU accession to the ECHR on the position of member states, there is no necessity for the additional requirement of an Act of Parliament. I therefore welcome my hon. Friend's intervention and hope that he will not press the amendment to a vote.

Chris Heaton-Harris: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn

3 pm

The Temporary Chair (Martin Caton): That brings us to the debate on clause 7 stand part. If I am reading the feeling of the Committee correctly, I shall allow this to be a fairly wide debate, obviating the need for further stand part debates on the later clauses. If we all understand that, I shall show considerable laxity.

Question proposed, That the clause stand part of the Bill.

Mr Cash: I shall discuss my earlier point about EU accession to the ECHR in the context of the broad view that you, Mr Caton, have taken about the necessity to get some of these issues out in the open. I shall also refer to the document that I cited in my intervention on the Minister, because we discussed it in the European Scrutiny Committee today. The document is a Council decision, the object of which is to authorise the European Commission to start negotiations with the Council of Europe on the EU's accession to the European convention on human rights. Our Committee reached the stage of a first report.

Chris Heaton-Harris: I very much apologise for not being at the European Scrutiny Committee meeting, but I was getting ready for this session. Government Members are giving the Bill the appropriate amount of scrutiny, but, looking at the Opposition Benches, I wonder whether anybody on that side cares.

Mr Cash: I could not agree more. My hon. Friend is right, and I am glad that the Minister also nods in agreement, because the accession is hugely important. I understand entirely that the Minister has a view about it. He has also heard the very good arguments that my hon. Friend the Member for Daventry (Chris Heaton-Harris) has made on the specific questions that arise. The Minister knows that it is a contentious issue, not least because we are also dealing with the interaction of the European convention on human rights, which came up in the statement on terrorism only an hour or so ago in this very House, and the crucial balance between security and freedom. We do not need to discuss control orders and counter-terrorism now, but I simply make the point that an enormous body of law could be affected by this.

The shadow Minister for Europe, the hon. Member for Caerphilly (Mr David), is attentive, was a member of the European Scrutiny Committee and is taking an interest in the debate. Of course, he has to be here, but I think that he would be here anyway. I find it strange that the Chamber is almost completely empty when we are considering these incredibly important issues, and it would be interesting to know whether there is any reason why. I am glad to welcome my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips), who also has great knowledge of these matters. I hope that he will contribute to the debate, because we have just discussed this point in the European Scrutiny Committee, so it is an opportune moment for us to look at the principles involved.

The Government support accession by the EU to the ECHR, as the Minister indicates. I am sorry that we got a little tetchy, but he gave me the impression that he wanted to move on from the subject fairly quickly, and I understand the necessity to move on to later amendments. Our entire proceedings, despite some considerable reservations on the one hand and downright hostility on the other, have been conducted in a civilised manner and in accordance with what I hope debates in this House should consist of, but we need to take a good look at what the provision implies, and this clause stand part debate gives us the opportunity to do so.

According to the Secretary of State for Justice and Lord Chancellor, accession will close the gap in human rights protection as applicants will for the first time be able to bring a complaint before the European Court of Human Rights directly against the European Union and its institutions for alleged violations of ECHR rights. It will enable the European Union to defend itself directly before the European Court of Human Rights in matters where EU law or actions of the EU have been impugned.

The Secretary of State also says that accession will reduce the risk of divergence and ensure consistency between human rights case law between the European Court of Human Rights and the EU's Court of Justice in Luxembourg. That is very important. Furthermore, he says that the EU will be bound by European Court of Human Rights judgments in cases in which it is a respondent, and like other contracting parties to the ECHR the EU will need to have regard to the Strasbourg jurisprudence.

I have heard the Secretary of State for Justice express views, albeit in other circumstances, in which he has raised concerns about the extent to which the judiciary is impinging on the sovereignty of this House, and I take him at his word. If he believes that, he might also consider that the EU will have to have regard to Strasbourg jurisdiction. Sovereignty, which we have debated at some length in relation to clause 18, is directly involved in that issue.

I do not need to repeat any arguments that I set out in relation to clause 18, and I have no intention of doing so, but the principle is about the use of jurisprudence from Strasbourg or the European Union Court, the European Court of Justice, and its effect on the legislative process in this House. There is also a constitutional question for the United Kingdom about the manner in which our judiciary is using Strasbourg precedents and importing them to their judgments in our courts. The Lord Chief Justice recently criticised that, because he is worried about the impact of accession on the manner in which we make our decisions and the invasion of common law precedent.

Stephen Phillips (Sleaford and North Hykeham) (Con): I hesitate to intervene on such an erudite speech by my hon. Friend, but one problem that the Minister might want to consider in the context of the clause is that accession by the EU to the convention will create essentially co-ordinated jurisdiction over some areas between the European Court of Justice on the one hand and the Strasbourg Court on the other. Indirectly, therefore, it might affect the rights of this place, because more law and jurisprudence will come from both Courts, and that might interfere with the way in which we conduct business and are expected both to represent our constituents and to make our own laws consistent with accepted doctrine of parliamentary sovereignty. I have intervened now because I think my hon. Friend will agree with that point.

Mr Cash: Absolutely, and it could not have been better put. I am grateful to my hon. and learned Friend, who is Queen's Counsel after all, as well as a distinguished member of the European Scrutiny Committee. He has been following the matter with great interest and makes the point very well.

There is a further point to make about the statement by the Secretary of State for Justice. He says that, additionally, European accession will mean that individuals who argue unsuccessfully in the European Court of Justice that the European Union has breached their fundamental rights—I stress "fundamental"—can, subject to the usual admissibility requirements, complain to the European Court of Human Rights that the EU has violated one or more of convention rights. The risk of confusion in that melee—that dual jurisdiction—is a serious potential problem. The Secretary of State for Justice went on to say that European Court of Human Rights judgments will be binding on the European Union as a respondent to the proceedings.

The Government, apparently, do not expect the European Union's accession to the ECHR to have any direct impact on UK law. As article 6(3) of the treaty on European Union confirms, the fundamental rights guaranteed by the ECHR already

"constitute general principles of the Union's law."

However, importantly, the Secretary of State for Justice concedes that an adverse judgment against the EU by the European Court of Human Rights may require the EU to amend its legislation to protect individuals' fundamental rights in a way that will have consequential implications for UK law. That is why I not only have sympathy for what my hon. and learned Friend said, but refer back to the Minister's assertion that it will not have implications for EU law.

As I said, we have had a number of exchanges with the Secretary of State for Justice. It is best if I pick out one or two of his points from the correspondence, all of which will be set out for the benefit of Members. I am delighted that the hon. Member for Birmingham, Edgbaston (Ms Stuart) has come to swell the ranks of Labour Back Benchers, whose presence would otherwise be non-existent. Unfortunately for the Minister, it is just possible that she will agree with what we are saying, but we will wait and see.

In the letter of 30 June, of which I am sure the Minister is aware, the Secretary of State for Justice wrote to the European Scrutiny Committee, advising that the EU had adopted this mandate. He went on to explain that the Government support EU accession and made the remarks that I summarised earlier. We replied to him on 8 September stating that the EU's accession struck the Committee as potentially a significant development in its internal legal order—despite treaty provisions to the contrary—and that it would amount to submitting the acts of EU institutions to independent external control by the ECHR. We also said it was a potentially significant development in the way in which EU citizens' human rights are protected. We used the word "potentially" deliberately because it was difficult on the information before us to know how much the EU's accession to the ECHR would be a symbolic gesture and how much it would lead to practical changes for United Kingdom citizens.

At this point, it is worth saying that these changes are not just generalisations, but that serious fundamental changes are being brought about by the manner in which the accession proposal is being put through. It is Government policy and it has significant implications for the daily lives of people. It is difficult in a debate such as this to give specific illustrations because the nature of the debate more or less precludes one from doing so. We are supposed to be talking about the generality of the constitutional change. However, I simply want to put on record that it will have a significant impact on the practical lives of the people whom we represent. That is the key reason for raising these issues.

We went on to note that the Cabinet Office guidance recommended that Departments should provide the scrutiny Committees with

"details of negotiating mandates as soon as they have been approved".

We were grateful for the explanation of the Secretary of State for Justice on how the Government view these matters. We asked him to explain further how the current gap in human rights protection will be closed by accession, and what he meant by the word "directly" when he said:

"applicants will, for the first time, be able to bring a complaint before the European Court of Human Rights"—

that is the Strasbourg Court—

"directly against the EU and its institutions for alleged violations of Convention rights".

3.15 pm

After an exchange, what it boiled down to was that there is concern in academic circles that the charter of fundamental rights, which was brought in through a protocol in the Lisbon treaty, specifically allows for EU human rights law to provide "more extensive protection" than the ECHR, and that raises a problem. In light of that, it is difficult to see why the Secretary of State for Justice concluded that a key benefit of accession to the ECHR will be consistency between the two legal domains. On the contrary, there is concern in academic circles that the charter will lead to legal uncertainty on how human rights are applied in Europe by introducing the additional standard of "fundamental" right. Although in appearance that is an esoteric legal argument, it will have an impact on people's rights. That is the problem.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): This may be one of the rare occasions when those on my Front Bench do not object to my intervention. I really do not know what the hon. Gentleman is going on about. I have tried to read clause 7 again. Let us go back. The fundamental charter of rights was introduced because of the judgment against the European Union as an institution over Gibraltar. Rather than signing up to the ECHR, which would have been the logical and consistent thing to do once we had given it legal personality, we now have two systems. In the UK, we are signed up to the ECHR. I would have preferred it if the EU had signed up to the ECHR. The charter of fundamental rights gives additional rights. I singularly fail to understand the point that the hon. Gentleman is making because the situation is no different.

Mr Cash: I am expressing the view of academics who have studied this matter, perhaps more than the hon. Lady. *[Interruption.]* I am not making any personal assertions. I am just saying that the evidence that we have is that the charter will lead to legal uncertainty

[Mr Cash]

over how human rights are applied in Europe by introducing the additional standard of fundamental rights. I am not criticising the hon. Lady, but simply replying to her question by expressing the view that is taken in academic circles.

Stephen Phillips: Does my hon. Friend agree that the problem that is being expressed is that there will be two competing and overlapping systems, adjudicated upon by two different Courts, which is potentially a recipe for disaster? I think that is the point that he is seeking to make.

Mr Cash: I have made that point and am entirely grateful to my hon. and learned Friend for repeating it. The issue is that there is a significant potential for uncertainty when there are two Courts.

Ms Gisela Stuart: I accept that there is a potential conflict, but given that we are already a signatory to the ECHR and that the EU is already a signatory to the charter, none of this adds to the complexity—the complexity already exists.

Mr Cash: I accept that. That complexity does exist, and part of the difficulty with the whole issue of human rights, whether in relation to accession, the charter or the jurisdiction of the Courts, is shown in the comments of the Lord Chief Justice in his Judicial Studies Board lecture. He said to the entire judiciary, "Brothers and sisters", referring to the other judges—*[Interruption.]* Well, that is their language. He said, "Brother and sister judges, will you please take note that our first obligation is to have regard to the manner in which we come to our decisions in the light of common law precedent?" He warned them against adopting Strasbourg's precedents as a means of arriving at decisions in our own courts. He actually used the words, "We must beware". I therefore entirely agree with the hon. Lady and with my hon. and learned Friend the Member for Sleaford and North Hykeham, and with the views expressed in the European Scrutiny Committee's report that has come out only this afternoon.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): There is indeed a conflict of courts, which has been a matter of considerable concern for a number of years. It is the oldest question of all—who is the master? Where there is a conflict between a constitutional court—the European Court—and a human rights court, who prevails? That is the lack of clarity that exists and the worrying aspect for many people. It has been much talked about in the European Parliament in recent years.

Mr Cash: Indeed, and I add that my hon. Friend, who is a member of the Joint Committee on Human Rights, has been manfully seeking to contain the tsunami of opinions expressed in that Committee about the continuing onward movement towards accession of the type that we are discussing here and about the human rights culture and all that goes with it.

Mr Shepherd: I am not a lawyer, as is evident, but the great difficulty is that we have a common-law tradition, and the European tradition is civil law. Those are totally different ways of looking the world. It is the case law that I am worried about.

Mr Cash: Indeed, and that is because the abstract principles contained in the charter, the ECHR convention and so on have developed a completely different type of law from ours. In a way, this debate illustrates the difficulty that exists. I say to the Minister that as ever, the Government are acquiescing in greater movement towards the human rights culture.

I may say that if anyone knows of my record in relation to matters such as this, they will know that nobody is more likely to want to defend the rights of individuals. All Members are devoted to trying to ensure that there is proper protection. The trouble is how to get to that point. I believe, for example in relation to terrorism, that if we legislate in Westminster according to the principles of habeas corpus, due process and fair trial, and according to our established procedures, we can be sure that no suspect will be ill-treated in our prison cells, however much potential circumstantial evidence there is against them.

Habeas corpus is the first duty of the judge. Ask any senior judge and he will say, "My first obligation is to apply habeas corpus." He would go straight down from his chambers to the prison to make absolutely certain that a person was not being ill-treated. If a writ of habeas corpus is issued, that is that. It is one of our most fundamental protections of liberty for the citizen. A great deal of human rights legislation, and all that goes with it, is moving us away from that. There are also political judges in other countries. There are different systems of law, yet we are acquiescing in a process of change away from our established system.

It is difficult to grasp the broad sense of what is happening, but it has a direct impact. However, the Government are acquiescing in it on a significant scale. That was why, when I was shadow Attorney-General, I proposed the repeal of the Human Rights Act 1998. That was our policy up to the time of the coalition agreement, and the Prime Minister himself repeatedly said that he thoroughly endorsed it. It was Conservative party policy, but under the coalition it has been abandoned, which seems a big jump. In addition, during the debates on the Bill we have seen further acquiescence in the process of moving towards the abstract principle, instead of the concept of the common-law precedent, which my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) mentioned.

Kwasi Kwarteng (Spelthorne) (Con): My issue with my hon. Friend's eloquent speech is that I do not understand the word "process" that he has been using. We are already under the convention regime. Whether we are in or out of that is a boundary question. He might want to get out, but that is a different debate. Nothing he can do to amend the Bill will fundamentally alter the fact that we are already signed up to the "process".

Mr Cash: With great respect to my hon. Friend, he came into the Chamber somewhat after my hon. Friend the Member for Daventry (Chris Heaton-Harris) explained why he wanted to amend the Bill to ensure that we retain greater sovereignty in relation to certain matters arising under the European convention. I do not criticise my hon. Friend the Member for Spelthorne (Kwasi Kwarteng) for coming in a bit late, but we have already discussed that matter—we are now on clause stand part

and the general question of the principles on which the convention operates. Does my hon. Friend want to intervene again?

Kwasi Kwarteng: I will have my say—don't worry.

Mr Cash: Certainly. My hon. Friend says, "We are where we are." In this debate and in the debate on the individual amendments, the Committee is dealing with some very important principles, including the principal question of the shift of accession. Therefore, it is important for us to explain and illustrate, by reference to documents, which I am not going through in detail, and by general principles, that with regard to the charter, the European Court of Justice, the European convention on human rights and the Strasbourg Court, there are important questions that will affect the constituents whom we serve.

For example, the Minister has told us that the only way that individuals can argue in the Strasbourg Court that the EU has breached their human rights is to bring proceedings against one or more member states. His answer to the question, "What do you mean by 'directly'?" was that once the EU has acceded to the convention, it will be possible for the EU itself to be the respondent and to defend claims in its own name. When we asked how accession will reduce the risk of divergence and ensure consistency between human rights case law, Strasbourg and Luxembourg when article 52(3) of the charter specifically allows human rights law to provide "more extensive protection" than the ECHR—my hon. and learned Friend the Member for Sleaford and North Hykeham referred to that—we were told that the EU must have regard to Strasbourg jurisprudence.

Our problem over and over again is that the answers that we get are a further extension of the principles that move us away from common law and precedent, and that instead absorb us into a system of law, judgments and courts that operate on abstract principles. It is as simple as that. That is the key question. When there is a divergence between the two Courts, those problems will become more conflated and confused.

Another question was how the EU autonomous legal order will be preserved in light of European Court of Justice opinions in certain cases, which I will not go into in detail. In a nutshell, we are grateful for the Minister's replies, which are included in the European Scrutiny Committee's report so that anybody who wants to read them can do so. I quite understand that those who have come into the Chamber very recently did not hear the arguments advanced by my hon. Friend the Member for Daventry and the specific issues that he raised.

Kwasi Kwarteng: If the remarks of my hon. Friend the Member for Daventry (Chris Heaton-Harris) were so fundamental, why did he not press his amendments to a Division?

Mr Cash: The short answer is that my hon. Friend the Member for Daventry did not do so because he had dealt with the questions that needed to be dealt with in relation to those amendments. I am concerned with the broader issue of the relationship between the European Court of Justice and the European Court of Human Rights in Strasbourg. That is the principal question in a clause stand part debate, which is why I am dealing with it now. That ought to be of great concern to the House, which is why the ESC has produced a special report and why I have gone into the detail in this debate rather than in a debate on specific amendments.

3.30 pm

The draft report notes that—and I refer this section particularly to the Minister, because he may not have seen it yet—

"the guidance for Parliamentary scrutiny of EU documents states that 'Departments should ensure that the Committees are kept informed as much as possible about the scope and development of negotiations prior to conclusion of an agreement.' We look forward to being kept so informed. Meanwhile, the document remains under scrutiny."

This is a very important matter. It is complex and requires some appreciation of the direction of navigation, which is towards an abstract system of law based on abstract principles rather than common law and precedent. It involves an interaction of the ECJ and the ECHR. We fear the possibility of inconsistency and uncertainty as a result, and this is the opportunity to explain those fears.

I am grateful to my hon. Friend the Member for Daventry for raising the question specifically and to my hon. Friend the Member for Hertsmere (Mr Clappison) for his amendments. I thought it would be sensible if I took the opportunity to set out the position of the Committee in relation to the exchange of correspondence with the Minister. As a rider, I would just add that we appear to be acquiescing in the move to a system of abstract law, which is not in the interests of the people of this country. The issue is not that we are where we are: it is the impact that where we are is having on our constituents. That move towards acquiescence is causing me ever more concern, because we are being absorbed into a system that is changing the face of our politics, our judiciary and even our parliamentary sovereignty. For all those reasons, it should be taken very seriously. However, judging from the fact that yet again no Labour Back Benchers are in their places, we can form some judgment about the extent to which they care about their constituents in relation to matters that will have an enormous impact on their daily lives.

Mr David: I thank the hon. Member for Stone (Mr Cash) for providing an indication of what his Committee's recent report says. We have heard over the last few days how important his reports have been in the consideration of this Bill. I also thank him for providing a useful context to the developing relationship between British law and European law.

During the last couple of days, we have heard a great deal from the Government about so-called direct democracy—enabling the people to make decisions themselves. However, it is worth remembering that the Conservative party has never been the party of devolution in Britain and it has always had a very limited definition of the European concept of subsidiarity. During the last few days, we have also discussed the exemption clause and the significance test—ways in which the Govt are substantially qualifying their apparent commitment to referendums. This afternoon, we go on to discuss the Government's proposals for those issues that they deem, to quote the Minister for Europe, are "not of sufficient significance" to require a referendum.

[Mr David]

Clause 7 sets out where primary legislation is required in such areas. It is interesting that the Government see Parliament playing a key role, but only on what it considers to be second tier issues—issues that do not require, to quote the Minister again, a "full-blown referendum". Leaving aside the difference between a full-blown and a half-blown referendum, this differentiation between what is deemed appropriate for direct democratic decision making and for parliamentary decision-making well illustrates the incoherence and contradictions at the heart of this Bill.

For example, yesterday we heard from the Minister how under schedule 1 to the Bill any change to the appointment procedure of the advocates-general of the ECJ would attract a referendum. However, according to the letter that the Minister sent to his Back Benchers in November, a move from unanimity to qualified majority voting for decisions concerning the number of advocates-general would not attract a referendum, but would be covered by clause 7. Perhaps he will be kind enough to explain to the Committee why there are to be different procedures on those two related issues. It would be difficult in the extreme for any Government to explain why a referendum would be held on the one issue, but not the other.

It should be stressed that clause 7 is not about stopping changes at either the Council of Ministers or the European Council, because any member state can block a change to an internal passerelle clause. Clause 7 is only about providing parliamentary approval if the Government have already agreed to use one of the decisions set out in the clause. As my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) pointed out yesterday, it would be extremely difficult for a Council decision to abolish unanimity in respect of the adoption of any future acts. Indeed, Sir John Grant, the former United Kingdom permanent representative to the European Union put the matter extremely well in his evidence to the European Scrutiny Committee when he said that

"everybody's got to agree that some of them are going to be outvoted."

It is extremely unlikely that such a scenario would arise, so in reality the impact of clause 7 will be very small indeed.

After clause 7 we have clause 8, which would give Parliament a greater role over the so-called flexibility clause in the Lisbon treaty, and after that there is clause 9, which deals with justice and home affairs issues. Yesterday we discussed how some justice and home affairs issues would be covered by a referendum; today we discuss some justice and home affairs issues that will not. In particular, I want to refer to opt-ins to measures

"under the area of freedom, security and justice".

Interestingly, the Bill does not really deal with one extremely important area. Britain has a temporary opt-out in the Lisbon treaty with regard to certain justice and home affairs measures. Under that protocol there are transitional provisions that provide for the United Kingdom to participate—or not—in certain European Union justice and home affairs measures. For example, the Government decided not to opt in to the draft EU directive on human trafficking. They decided not to opt in to that directive at the start of the legislative process, making the same decision during that process and at its conclusion, although I understand that they are to review the position when it comes to the adoption of the directive.

We believe that this is an important issue—an issue that clearly has to be addressed on an international and a European basis. I understand that the Government have decided to opt in to the sexual abuse, sexual exploitation of children and child pornography directive—and quite right too—but what about the issue of international human trafficking? Our view is clear: it is an important issue that Britain should be tackling in co-operation with our European partners. However, the issue before us today is whether it is sensible, according to the Government's own logic, to agree to their proposal that such opt-in provisions should be subject to parliamentary scrutiny, but not a referendum. We fully believe that there should be more parliamentary scrutiny. That is why we agreed to an enhanced role for national Parliaments in the Lisbon treaty. However, given that the Government have been arguing for referendums on important issues, why are they not proposing a referendum on such an important issue?

According to the protocol to the Lisbon treaty, the United Kingdom has an opt-in provision that will last for four and a half years. After that, Britain will be fully part of the justice and home affairs decision-making process. Last night we heard that the Government had absolutely no intention whatever of allowing referendums to take place before 2015 at the earliest. The question that I ask is: why? According to the Government's own logic, if there are to be referendums on important changes that affect the United Kingdom, there should surely be a referendum on this justice and home affairs opt-in during the course of this Parliament. Nothing better shows the inconsistency and incoherence of the Bill than this. It is a muddled clause in a very muddled Bill.

So much for clause 9. Next is clause 10. If what we have been discussing does not make things complicated enough, clause 10 sets out a further six decisions that require parliamentary approval. It is as though the Government have gone out of their way to create a piece of legislation that is deliberately confusing, obsessively complex and designed to confound every constitutional expert in the land.

Let me be clear: we strongly support greater parliamentary involvement and greater parliamentary scrutiny. That is why Baroness Ashton, when she was Leader of the House of Lords under the previous Government, made a statement setting out commitments by the then Government for more parliamentary scrutiny on actions arising from the justice and home affairs protocols. Last week, this Government made a statement that reaffirmed those commitments, and I welcome that. However, we are genuinely concerned about the lack of clarity. This is an obtuse and even eccentric way of addressing serious constitutional issues. They are issues that affect the people of this country on a day-to-day basis, and the country and the House deserve better than the Bill before us today.

Mr Lidington: May I first respond to my hon. Friend the Member for Stone (Mr Cash)? He spoke with his characteristic dignity, courtesy and thoroughness about the issue of EU accession. I am sure that he will understand that I want to look carefully at the report

from his Committee, rather than responding on the hoof this afternoon. As he would expect, a subject of this significance needs to be discussed by Ministers collectively in order for the Government to come up with the thorough and considered response that every member of his Committee deserves.

Clause 7 fulfils the pledge made in the coalition programme for government that

"the use of any passerelle"—

or ratchet clause—

"would require primary legislation."

It sets out that the Government may not agree to the use of a number of passerelles, or ratchet clauses, in the EU treaties unless the approval from this House is specified in an Act of Parliament.

As the Foreign Secretary and I have made clear in the past, there is no straightforward legal or treaty definition of a ratchet clause. The European Union (Amendment) Act 2008 listed 10 such clauses and limited the definition to use of the simplified revision procedure and to nine articles that allow for the giving up of the British veto in specific areas. When we considered that commitment in the coalition programme, we decided that that definition was insufficient. So for a start, we have put a referendum lock on many of the passerelles listed in the 2008 Act. We debated those matters earlier in our Committee proceedings. Others we have subjected to a primary legislation lock under clause 7. So the use of article 48(7) to give up the UK veto in an area that we did not include in schedule 1 to the Bill would, none the less, still require full parliamentary approval in an Act of Parliament. The same principle applies to any proposal to move to qualified majority voting in an area of enhanced co-operation in which the UK is a participant.

3.45 pm

My hon. Friend the Member for Daventry (Chris Heaton-Harris) referred to article 48(7), and asked me about those aspects of it that did not involve giving up the UK veto but that made possible a shift to the ordinary legislative procedure. It is true that there are eight largely technical cases where article 48(7) could be used to move from the special legislative procedure to the ordinary legislative procedure, but they do not involve a move from unanimity to qualified majority voting, as QMV already applies in each of those eight instances. We believe that all that such a decision would do would increase the role of the European Parliament from being consulted to being the joint decision-making authority with the Council. It would not change the UK's position under QMV. In the light of my hon. Friend's comments, I would be happy to take the issue away and reflect on it further. Perhaps I could write to him on that detailed point, ahead of Report, and see whether I can satisfy him on that account.

Ms Gisela Stuart: I apologise if I have missed something that the Minister has already said, but are the lists setting out what requires a referendum and what requires other procedures indicative or exhaustive?

Mr Lidington: What is clear in the Bill is that anything under article 48(7) relating to the giving up of a UK veto or a move to qualified majority voting would require primary legislation here. My hon. Friend the Member for Daventry questioned me on those areas of policy, defined in various parts of the treaty, where article 48(7) could be applied to move from the special to the ordinary legislative procedure, but where QMV still applies now and would apply in the new circumstances. If it would help the hon. Lady, I will happily copy the letter I write to my hon. Friend the Member for Daventry to her as well.

We took the opportunity in working on this Bill to take a fresh look at this issue. We concluded that a general principle could be applied—that articles already in the treaties that provided a "one-way" option should also be considered to be passerelle clauses. These one-way options add to or reduce what could be done within existing areas of EU competence, but without changes to either voting rules or legislative procedures. We felt that they should be subject to primary legislation.

We also looked hard at articles that modify the composition or rules of procedure of existing EU institutions and bodies. We will come on to most of those when we debate clause 10. However, we felt that the article allowing for the amendment of the number of Commissioners was a highly significant article as it could be used to negotiate a reduction in the current requirement that every member state should nominate one Commissioner. We therefore proposed, because of the importance of that matter, that any such decision should require approval by primary legislation.

Chris Bryant (Rhondda) (Lab): Is it not ludicrous that there are so many Commissioners? There are far too many of them to give them all proper jobs. Half of them do not have a proper job now. We have ended up with a system under which each country gets one Commissioner, but they are not meant to be there as "the British Commissioner". They should work together as a commission. When it comes to state aid, it is particularly important that they act independently, not as a national representative.

Mr Lidington: The hon. Gentleman, my predecessor in office, puts a strongly held view with characteristic cogency. Whatever the merits of his argument, it seems to me that departing from the principle that each country should be entitled to nominate a Commissioner would be a change of major significance to the way in which the European Union is organised and run. As such, it would seem appropriate, whatever the merits or demerits of the proposal, that this should be subject to primary legislation rather than any less demanding form of parliamentary scrutiny.

Ms Stuart *rose*—

Chris Bryant *rose*—

Mr Lidington: I am conscious of the pressure on time and I am going to try to make some progress.

Let me respond to the challenge from the hon. Member for Caerphilly (Mr David) about the numbers of advocates-general. There are not 27 advocates-general, so we are not in the position of having one for every member state, but it is important that we retain the veto on this, and we have no intention of giving it up.

[Mr Lidington]

It is important for the United Kingdom to be able to approve the appointments of judges and advocates-general, and we felt that it was sufficiently important to be included in schedule 1.

Mr David *rose—*

Mr Lidington: There will be other opportunities for us to debate the number of advocates-general, and I am sure that the hon. Gentleman is ingenious enough to identify them. He and his hon. Friends have managed to weave the issue into every speech they have made so far at every stage of the Bill's progress.

Mr David *rose—*

Mr Lidington: I am afraid that I am going to deny myself the pleasure of hearing a further explanation from the hon. Gentleman.

The other articles listed in clause 7—covering decisions on provisions for elections to the European Parliament, on the system of own resources of the EU, and on the adoption of provisions to replace the excessive deficit procedure—already require primary legislation before this country can agree to them, and clause 7 replicates those earlier requirements. Decisions under the articles listed in clause 7(2) would require approval in accordance with the constitutional requirements of the member state before the member state confirmed its approval of a decision. The four articles that I mentioned are also subject to enhanced parliamentary control in Germany following the judgment of the Federal Constitutional Court on the Lisbon treaty.

For the other decisions listed in subsection (4), primary legislation will be needed before this country votes in the Council of Ministers or the European Council. In other words, the Act will be needed before the United Kingdom can cast its vote. We intend that to happen before the final political decision to use the ratchet clause is made at European Union level but after official-level negotiations have been completed, so that it is clear to Parliament that that is the final text and it can make a decision on what is proposed without the risk of further changes.

Unlike the 2008 Act, the Bill does not contain a disapplication provision giving Ministers discretion to approve a decision that has been amended since being approved by Parliament. That is deliberate. We want Parliament to approve the final version, although it will of course be examining the proposals from an early stage under the existing arrangements for parliamentary scrutiny of European legislation.

I should emphasise that these provisions will apply only when the Government intend to agree to a measure. If the Government of the day did not support the exercise of any of the ratchet clauses, they would simply block their adoption. However, the pledge in the coalition agreement and the commitment in the Bill provide that when the Government would be in favour of such a decision, Parliament must approve it first.

Chris Bryant: I did not intend to speak, but as the Minister refused to give way—it was the first time I had ever seen a Minister do that in Committee—I wanted to make one very brief point. *[Interruption.]* I see that the Whip is fulminating. He can go and fulminate on his own.

The problem with the Bill, and with clause 7 in particular, is that it will make it more difficult for us to negotiate with other countries to achieve the outcomes that we want for the British people. Let us suppose, for example, that France introduced a law similar to this and we tried to negotiate a proposal that is in the coalition agreement, namely that we should end the ludicrous caravanserai between Brussels and Strasbourg. It is laid down in the treaties that the European Parliament shall have two places in which to sit, which is ludicrous given the vast amount of money that is spent on the two buildings, the vast inconvenience caused to people, and the creation of a monopoly air service which is also ludicrously expensive. Moreover, I do not think that all that has resulted in a better policy and decision-making process. However, if the French Government had a law such as this, they would simply block every treaty change that might be in our interests.

Stephen Phillips: As always, I am grateful to the right hon. Gentleman for giving way, but has he not just made the case for why the Bill is so important? In the example that he has given, it would be possible for the French Government to say to other European Governments, "This is in the interests of my country, and I will therefore not be able to get it through." Is that not the great merit of the Bill, and is it not the sort of Bill that we would never have seen from the Government of whom he was a member?

Chris Bryant: May I just clear something up? I am not right honourable, although many hon. Members have recently referred to me as such. Many would doubt whether I am even honourable.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. I am not calling a Division on this one!

Chris Bryant: I do not think you are able to call one, Mr Evans.

The hon. and learned Member for Sleaford and North Hykeham (Stephen Phillips) seems to be arguing that we should adopt a French style of intransigence, permanently trying solely to defend the British interest. In the end, such an approach cuts off our nose to spite our face. I do not think that anybody here thinks that the double-sitting arrangement is sensible, and most French politicians would agree in private. If this country starts setting up barriers to try to make it more difficult to change anything in the European Union, other countries will do the same and we will end up keeping some of the anomalies and ludicrous elements of the European Union. That is why I oppose the clause. I would have dealt with all that in a short intervention on the Minister.

Mr Shepherd: I do not understand this. The hon. Gentleman says, "It is in the treaty" but this Bill has nothing to do with changing the treaty and is about circumstances that may arise in the future. So what point is he making? If the treaty provides for movement between the two centres on a rotating basis, it is mandatory, is it not? How does this relate to the Bill?

Chris Bryant: The Bill does make reference to treaty change, and understandably so. I thought that the whole argument that the hon. Gentleman and many others have made over the past three or four years during

discussion of the Lisbon treaty and its predecessor was that because a treaty change was involved, there should be a referendum. All I am saying is that if that had been the proposition in France, we would never see an end to that element of treaty change. I would, however, be amazed if the Government make any progress on trying to change the Strasbourg provisions, although perhaps the Minister will be able to enlighten us on that.

Mark Reckless (Rochester and Strood) (Con): The hon. Gentleman mentions that the dual site of the European Parliament is provided for in the treaties. Surely the key issue is that the coalition agreement says that we are going to deal with this situation. The opportunity to do so is coming up, because the eurozone needs our agreement to a new treaty. In return for our agreement, surely we could demand that the European Parliament move to a single site, thus fulfilling what is in the coalition agreement.

Chris Bryant: That little speech was the definition of "denial", because there is no prospect of the French volunteering a treaty change on the Strasbourg sittings unless an enormous contribution is to be made from our side, which the Government would be able to deliver only if they were holding a referendum. By forcing referendums here, which means that the Government cannot give anything away, the Bill is making it impossible to win the argument on closing down Strasbourg—I mean the sittings there, not the city.

Kwasi Kwarteng: The issue that the hon. Gentleman raises in his example is clear. He suggests that the French would be reluctant to give away the right to have the two sites. That just illustrates the point that my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) made about the French sticking up for their interests, and it touches on the whole point of this Bill. It seems extraordinary for a Member of Parliament to say, "We don't like the Bill because sticking up for our interests might in some way damage the whole European project." That is not what we are trying to do.

Chris Bryant: I think that the hon. Gentleman misunderstands me. I am sure that that is my fault, because I cannot have expressed this at sufficient length or ably enough. The point I am trying to make is that our insistence that there will be no treaty change without a referendum makes it more difficult for us to achieve changes in the treaty that we want to pursue, because other countries will simply say, "We know that you are determined not to have any treaty change whatsoever, which is why you have created this referendum lock and all the rest of it." That is why, I think, Government Members who are delighted that the coalition is committed to trying to change the situation in relation to the dual sittings and Strasbourg are profoundly deluded.

4 pm

Nick de Bois (Enfield North) (Con): How does the hon. Gentleman reconcile his statements about our having a referendum, when lots of negotiations have gone on while many countries have had referendums?

Chris Bryant: Referendums in different countries operate in different ways. I think that I have heard the Minister say on a couple of occasions both here and elsewhere that there was never a referendum that supported the Lisbon treaty. That is completely untrue, as the Spaniards were the first to hold a referendum and it had an 83% or 84% yes vote, so he is wrong about that.

I think I have made my argument on Strasbourg.

Mr David: My hon. Friend is making a very important point. He has used the example of Strasbourg, but he is making a wider point. The process of change in the European Union, as anybody who knows anything at all about it will be aware, is based on negotiations. The point of the Bill is that it makes it impossible for future Governments in this country to negotiate in Britain's national interest.

Chris Bryant: Absolutely. There are many different things in the European Union—many determined in treaty—that I want to change as a pro-European and as somebody who wants always to defend the British interest. I do not see those two things running counter to each other. My argument in essence is that the Government must have enough freedom to proceed in negotiations, so that they can gain concessions from the other side. If a country has already locked itself down, it is impossible to gain concessions from the other side.

Mark Reckless *rose*—

Ms Gisela Stuart *rose*—

Chris Bryant: I will give way to the hon. Gentleman, then to my hon. Friend, and then please release me.

Mark Reckless: I would suggest that the hon. Gentleman has not entirely seen my point. A referendum is only one lever that the UK can use to extract concessions. Our agreement is needed on the new treaty for the eurozone, which is desperately needed to try to put in place a permanent bail-out mechanism. My suggestion and, as I understand it, the commitment in the coalition agreement is that as a coalition we will ensure that the Parliaments move to one site and work to limit the application of the working time directive in the UK. Surely that new treaty gives us an opportunity to do so.

Chris Bryant: No, because one requires treaty change and the other does not. If we have already locked ourselves down by saying that any element of change would have to be submitted to a referendum, when we effectively know that most referendums on many of these issues would be lost in the UK—that is the whole tenor of the argument made by the hon. Gentleman and others on the Government Benches—it will be impossible for us to negotiate with a free hand. In the end, that will be bad for the British interest.

Ms Gisela Stuart: I want to make an offer to Members of running classes on how the EU works. Anybody who has ever worked in the EU would turn in their grave if we were to rerun the past 10 minutes—except those who are not there yet. The comments have shown a complete and utter lack of understanding of how the EU works and how treaty changes work. What is most amazing about the Bill is that I find myself for the first time in years agreeing with those on my Front Bench—that shows how wrong the Government are. Negotiations are different; none of this has anything to do with clause 7 and hon. Members are utterly wrong. I am happy to run a workshop on that afterwards.

Chris Bryant: It is a delight to agree with my hon. Friend. I do not think that she and I have ever agreed on anything before. That is perhaps a slight exaggeration; I think we agreed that a Labour Government were better than a Conservative one.

Many thanks for calling me to speak, Mr Evans. I think I have made my one point eight times now, and that will probably suffice.

Question put and agreed to.

Clause 7 accordingly ordered to stand part of the Bill.

Clause 8

DECISIONS UNDER ARTICLE 352 OF TFEU

Mr Cash: I beg to move amendment 53, page 6, line 41, leave out '(3) to (5)' and insert '(3) and (4)'.

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 26, page 7, line 7, leave out subsections (5) to (7) and add—

'(5) This subsection is complied with if—

(a) in each House of Parliament a Minister of the Crown moves a motion that the House approves Her Majesty's Government's intention to support a specified draft decision and is of the opinion that the decision relates only to one or more of the following purposes—

(i) to make provision equivalent to that made by a measure previously adopted under Article 352 of TFEU, where that previous measure was adopted following the commencement of section 8 of the European Union Act 2011 and the draft decision relating to that measure was approved by Act of Parliament;

(ii) to repeal existing measures adopted under Article 352 of TFEU;

(iii) to consolidate existing measures adopted under Article 352 of TFEU without any change of substance, where those existing measures were adopted following the commencement of section 8 of the European Union Act 2011 and the draft decisions relating to those measures were approved by Act of Parliament; and

(b) each House agrees to the motion without amendment.'.

Amendment 43, page 7, line 7, leave out subsections (5) to (7).

Clause stand part.

Mr Cash: The amendments have been tabled by my hon. Friend the Member for Daventry (Chris Heaton-Harris) and myself, as well as several other Members, including my hon. Friends the Members for Aldridge-Brownhills (Mr Shepherd), for Harwich and North Essex (Mr Jenkin), for Wellingborough (Mr Bone) and for Northampton South (Mr Binley), and the right hon. Member for Belfast North (Mr Dodds) of the Democratic Unionist party.

We are dealing with a very broad provision in the treaty known as article 352, which is generally described as a flexibility clause but which has an ancient and controversial history. Even back in the 1970s, before I came to the House, when I was practising law, I was discussing a very controversial provision known as article 308, and I shall tell hon. Members why. When, in our legal processes and legislative procedures we pass laws, we do so on the basis of what is stated in an Act of Parliament and we consider the words. Some of the remarks I made in the previous debate on clause 7 about abstract principles are related to this issue. Ordinary statutes, particularly in the field of administrative law, frequently make certain provisions after a whole series of propositions in different sections. Right at the end, there is often an expression such as, "And all such measures as may be regarded as reasonably necessary to carry out these functions," but they are very carefully constrained by the administrative court, and the tests are quite significant. If there is a catch-all provision that has the effect of enlarging the existing treaty arrangements, it is incredibly important to make sure that what is included can be justified and has proper authority.

In the context of legislation that comes to the House and thereafter affects the daily lives of the electorate, we already know, for reasons that I do not need to enlarge on, that the manner in which legislation is implemented could, in a nutshell, be one or two lines or a paragraph in a treaty that are equivalent to an entire Act of Parliament. With that comes a whole process of interpretation that is different from our own, because it is not necessarily precise and because it looks at purposes—it has a purposive quality. Then there are provisions relating to subsidiarity that generally are not adhered to.

When we are dealing with a specific treaty and considering its wording and range, we should ask, when it becomes part of UK legislation through section 2 of the European Communities Act, as enforced by the courts and their system of interpretation, how far and to what extent it was anticipated that the legislation being spelt out, even in a treaty, would result in certain consequences in terms of the precise policies that will emerge from the process. It is incumbent on us to implement the law, under section 2, but at the same time there is a great degree of collateral within which the actual provisions in a treaty are brought into effect, and there is also their effect on the people to consider. In many instances, people could not reasonably have been expected to know exactly how that provision would turn out in policy.

I happen to be a bit of a traditionalist and I think that when we pass legislation it should be consistent with policy making, but sometimes I think that my hon. Friends—I say this with great respect to them—are not necessarily quite as conscious when considering such issues about the direct impact of it all on the electorate, or about the degree of discretion that we are giving both to the European Union and to Ministers in implementing these sorts of provisions.

What is the effect of article 352? I shall explain my concerns about the Bill in relation to that wide-ranging provision, and I shall quote from article 352. It is important to set that out, as it is the framework for my general concern. Article 352 states:

"If action by the Union should prove necessary"—

that is a big question; who says?—

"within the framework of the policies defined in the Treaties"—

which have an enormously wide ambit, including what they involve, their purpose, nature and interpretation—

"to attain one of the objectives set out in the Treaties, and the Treaties have not provided the necessary powers, the Council, acting unanimously"—

that is important—

"on a proposal from the Commission and after obtaining the consent of the European Parliament, shall adopt the appropriate measures."

The article continues:

"Where the measures in question are adopted by the Council in accordance with a special legislative procedure, it shall also act unanimously on a proposal from the Commission and after obtaining the consent of the European Parliament"—

not Ministers, though they have the right to determine whether or not they will apply the unanimity rule.

There is then a provision stating that where subsidiarity arises,

"the Commission shall draw national Parliaments' attention to proposals based on this Article."

The article goes on to say that such measures shall not entail the harmonisation of member states' laws or regulations where the treaties say that there should not be such harmonisation. Finally, it states—this is important—that the article cannot serve as a basis for attaining objectives relating to foreign and security policy, and it imposes certain restrictions consistent with limits set out in article 40 of the Treaty on European Union.

That is what article 352 states. It is a very wide provision. It is certainly subject to unanimity by the Council. I therefore assume that my right hon. Friend the Minister will assure us that the veto would be used, were the existing treaties—wide and deep as they are and effective as they are on our constituents—to be amplified by the use of that extremely wide power. I should mention that a few years ago the European Scrutiny Committee went over to see the Commission and its legal advisers. We had a full report on the provision in question, which at that time was described as article 308.

My amendments would knock out the provisions that would enlarge the Government's capacity to bypass—I use this language carefully—the principles on which I assume Parliament would want to insist. Because of the ambit of the measure, we should ensure that it is used as tightly as possible.

4.15 pm

At the moment, the article can be used only where the existing treaties have not provided the necessary powers. Clause 8(1) provides that any one of the conditions in subsections (3), (4) or (5) has to be satisfied in relation to an article 352 decision, but subsection (3) contains the general rule, which is the one that I would insist on, which is that the UK may not agree to a decision under this broad article unless the decision has been approved by Act of Parliament. That is fundamental. Where there is this enormous expansion of power, fundamentally it should be done only where the decision has been approved by Act of Parliament. I have no problem with that whatever.

Subsection (4) provides for parliamentary approval of urgent or emergency uses of the flexibility clause without the need for an Act of Parliament. The explanatory notes say that this

"has been used in the past for urgent or emergency uses, where rapid EU action has been agreed but where there was no explicit legal basis on which to base that action",

and that certain sub-paragraphs stipulate

"that the UK may agree to the adoption of a measure based on Article 352 in urgent or emergency cases if"

approved by motion without amendment in each House of Parliament. I regard that as perfectly reasonable in the circumstances. So we have a process and an agreement. First, it has to be unanimous, then it comes to Parliament, and then it has to be approved by Parliament because it affects people and it is so broad that restrictive control needs to be kept over how the process operates in this House.

Subsection (5) provides

"that an Act of Parliament would not be required for any Article 352 proposal which satisfies any of the exemptions listed in subsection (6)."

According to the explanatory notes, the exemptions are to

"prevent…Acts of Parliament to approve measures which have been agreed in substance under previous measures using Article 352".

In those circumstances, a Minister has to lay a statement before Parliament saying that the use of a flexibility clause is for an exempt purpose, in which case parliamentary approval is not required. This is where I have great difficulty. The ambit of article 352 is such that it seems that there are no exceptional circumstances in which the exemptions specified in subsection (6) should divest Parliament of the opportunity to approve. Basically, the fundamental point that I seek to make is that those provisions should be left out.

As the debate proceeds, I hope that this point will become more obvious, because other amendments will give specific instances of the manner in which the arrangements would operate. I simply wanted to indicate that I am not in favour of the exemption that the Government are giving. Under subsection (6), the exempt purposes include—some of the language is rather arcane—

"to extend a measure previously adopted under that Article to another member State or other country".

I am extremely concerned, for many reasons that I have already touched on and hope to come back to later, where we say something will affect us as part of the EU only in certain circumstances.

My worry, which permeates much of my concern about the Bill, is about the cases in which someone might say, "Well, it affects only the eurozone, not us." I strongly believe that in such circumstances we must be vigilant, because the eurozone does affect us and whatever we do will affect us. It seems to me that we should be vigilant and ensure that parliamentary approval is needed in circumstances where a measure has been adopted under the article and extended to another member state. I am issuing a general concern about the whole area.

Article 352 is very broad, as I think the Minister will accept. I understand that it is subject to unanimity and that in limited circumstances there would be a case for something short of an Act of Parliament, but I do not think that there are circumstances, in the cases that I have described and within the framework of those exemptions, where it is so broad that Parliament should effectively be bypassed. That is my main proposition, but there are other specific matters that colleagues will raise.

Chris Heaton-Harris: I will be brief, Mr Evans. I had quite a decent speech written on these amendments, but I want to move on to the meat of the justice and home affairs matters that we will discuss shortly. With regard to clause 8, the Bill is a definite improvement on the current situation, and I am pleased that the presumption

[Chris Heaton-Harris]

is that an Act is required. My concern is about the get-out clause, in clause 8, that my hon. Friend the Member for Stone (Mr Cash) has just mentioned, according to which the Minister can table a statement that certain matters are exempt.

Amendment 26 is not a blanket amendment that would require everything to have an Act, as would my hon. Friend's amendment, because I understand that some things might need a lesser level of scrutiny in this place, but I am concerned about proposals that would prolong the existing flexibility clause or extend it to another country. Those are the two areas that should be approved by an Act. I am happy to see other areas approved by resolution in each House. The example that my hon. Friend might have been searching for is that relating to balance of payments loaned to non-eurozone member states in 2002 that came through such a flexibility clause, similar to the article 122 measures that we have just seen. That is the explanation for my amendment, and I will be interested to hear the Minister's response.

Mr Lidington: I am grateful to my hon. Friends the Members for Stone (Mr Cash) and for Daventry (Chris Heaton-Harris) for the courteous and logical way in which they have set out their views and spoken to the amendments.

Clause 8 provides for the prior parliamentary approval of a decision by the Government to support future uses of article 352 of the treaty on the functioning of the European Union through an Act of Parliament, subject to certain defined exceptions. Article 352 can be used to adopt measures in order to attain one of the EU's objectives where the existing treaties have not provided the specific legal base on which to do so.

The measures concerned are, as my hon. Friend the Member for Stone acknowledged fairly, subject to the British veto, require unanimity among all member states and must remain within the confines of the EU's objectives. Nevertheless, because of its enabling nature, the use of article 352 of TFEU has led in the past—quite understandably, I happily concede—to concerns that it can be used to facilitate competence creep. It is an article in whose use the scrutiny Committees in both Houses have taken a great interest, and I am sure that that interest will continue.

In responding to my hon. Friends, I will start by saying that the use of article 352 is now subject to much greater constraints than it was prior to the entry into force of the Lisbon treaty. In particular, it must be read in conjunction with declarations 41 and 42, annexed to that treaty. They set out four criteria that govern the application of the article. First, article 352

> "cannot serve as a basis for widening the scope of Union powers beyond the general framework created by the provisions of the Treaties as a whole and, in particular, by those that define the tasks and activities of the Union".

It is also important to make the point that a fair number of those policy areas that in the past involved the use of article 352 have now, in the Lisbon treaty, specific treaty bases of their own. That means that in future it will not be possible to bring forward measures on the basis of article 352, because an alternative, defined and specific legal base will exist.

Let me illustrate that point to the Committee. Sanctions have been the subject of article 352 measures in the past, but we now have article 215(2) of the Lisbon treaty, which deals with measures to apply sanctions against natural or legal persons and groups of non-state entities. Similarly, articles 212 and 213 of the treaty on the functioning of the European Union make provision for measures of macro-economic assistance to third countries—again a policy area for which, before Lisbon, article 352 was used as the legal base.

Secondly, article 352 cannot be used as a basis for the adoption of provisions whose effect would in substance be to amend the treaties without following the procedure that they provide for that purpose. Thirdly, the article cannot be used to harmonise natural laws in cases where the treaties exclude such harmonisation. Fourthly, the article cannot be used to obtain objectives pertaining to the common foreign and security policy.

Mr Cash: I understand exactly what the Minister says, but I am sure he will concede that that is all without prejudice to the fact that the measure is an expansion of what is a very wide provision in itself. For example, on the point that he has just made, there is a self-amendment provision in the treaty. It is difficult in such debates to get right down to the nuts and bolts, but basically this is a problem of an expanding treaty provision that was widely construed and widely drafted in the first place.

Mr Lidington: Given the history of the article's use, I do not blame my hon. Friend for being properly sceptical and inquiring about how it might be used in future, but the Lisbon treaty now sets out explicit and specific treaty bases to govern policy areas and legislative measures that were previously the subject of article 352 authority, so it rules out the article's future use to authorise measures in those categories.

Despite the greater restrictions on the use of article 352, and although it is not a ratchet clause under the definition that the Government have tried to apply consistently, given its significance we have decided that its use should be subject to greater parliamentary control. At the moment, as my hon. Friend acknowledges, its use is subject to the same parliamentary scrutiny as any other proposal for EU legislation, and the Bill makes it clear that this Government do not believe that that is sufficient, hence the inclusion of clause 9. The provisions will apply to proposals for which article 352 forms one part of the legal base and to proposals based on article 352 exclusively.

The article has been used in the past to authorise a range of important measures: to set up EU agencies such as the European Union Agency for Fundamental Rights; to set up things such as a community civil protection mechanism; and to enable member states to work together to mitigate damage from natural or man-made disasters. They were important decisions, and they exemplify exactly the sort of legislation that will require an Act of Parliament under this Bill before the United Kingdom is able to sign up to it.

I turn, however, to the exemptions. Where legislation based on article 352 is equivalent to a previous measure, prolongs or renews an existing measure or extends a previous measure in terms of its geographical scope, we do not think it right to require an Act of Parliament in

order to agree to it—if the substance of the measure is identical to a previously agreed measure. If it is not identical, the measure should none the less be subjected to parliamentary approval by Act of Parliament. Similarly, we do not judge that an Act of Parliament is an appropriate requirement if the legislation simply repeals existing measures or consolidates, without adding to, existing measures made under that article. Any proposal for legislation based on that article, even if the Government consider that it is covered by one of the exemptions, would of course remain subject to the normal arrangements for the scrutiny of EU legislation and the powers of the two scrutiny Committees.

4.30 pm

It is worth noting that the use of article 352 for legislative proposals will now also be subject to the protocol on the application of the principles of subsidiarity and proportionality. I encourage the scrutiny Committees to continue the work that they are doing on the use of yellow and orange cards, because they might wish to take advantage of such opportunities in relation to measures under article 352.

If a Minister intends to rely on any of the exemptions in the Bill, he is required by clause 8 to lay before Parliament a statement setting out his reasoning. Parliament and the public will be able to judge whether the proposal in question really does fall under an exemption, to challenge the decision of the Minister, and, in the case of Parliament, to override that decision.

The three proposed amendments to clause 8 would make substantive changes to the treatment of uses of article 352 that do not require primary legislation under the Bill. Amendment 26 would narrow the scope of the exempt purposes under which uses of the article can be agreed without primary legislation. It would remove the requirement for a Minister to make a statement to Parliament and replace it with a vote in both Houses. The consequence of the first change would be that only uses of the article that were equivalent to a previous use or that consolidated previous uses of the article, which themselves had been adopted in line with the provisions of the Bill, including through primary legislation, would be considered exempt from the primary legislation requirement. The consequence of the amendment, therefore, would be that Parliament would have to approve through primary legislation a number of uses of article 352 that it had already considered. It does not seem sensible to legislate on issues whose substance Parliament has already considered and approved.

The requirement for a positive vote in both Houses in place of a Minister's statement would, again, place significant demands on Parliament's time. Such proposals are already subject to the requirements of parliamentary scrutiny. If the scrutiny Committees thought it necessary, they could recommend that the question of whether such a proposal was exempt be subjected to debate. That debate would be on a motion that could be amended, so Parliament would be able to express its view of the Minister's judgment.

Amendment 26 would also mean that both Houses would have to approve the repeal of an existing article 352 measure. Providing for a vote on the repeal of European Union legislation is not in-keeping with the overall objective of the Bill, which is to enhance public and parliamentary control over future decisions in the EU—not previous decisions that are being terminated. For those reasons, I urge my hon. Friend the Member for Daventry not to press the amendment.

Amendments 43 and 53 seek to remove the exempt purpose criteria from clause 8. The effect would be that primary legislation would be required for every single use of article 352. For the reasons I have outlined, I do not judge that requiring primary legislation for each and every use of the article, including the repeal, consolidation or extension of existing measures without further EU action, is proportionate or necessary. I urge my hon. Friend the Member for Stone to seek leave to withdraw the amendment.

Mr Cash: I am happy to seek to withdraw the amendment in the circumstances, without prejudice to my concerns about the matter. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 8 ordered to stand part of the Bill.

Clause 9

Approval required in connection with Title V of Part 3 of TFEU

Mr Clappison: I beg to move amendment 14, page 7, line 33, leave out from first 'of' to end of line 44 and insert

'any existing or proposed measure under Title V of Part 3 of TFEU.'.

The First Deputy Chairman: With this it will be convenient to discuss the following:

Amendment 27, page 7, line 33, leave out from 'measure' to end of line 44 and insert

'presented to the Council pursuant to Title V of Part 3 of TFEU, apart from a notification in relation to a measure that, at the time of the notification, would if adopted extend the powers of Eurojust to include the initiation of criminal investigations.'.

Amendment 99, page 7, leave out lines 34 to 36.

Amendment 98, page 7, leave out lines 37 to 44.

Amendment 47, page 7, line 44, at end insert—

'(d) the provision of Article 83(2) of TFEU (harmonisation of criminal offences and sanctions) that permits the establishment by directive of minimum rules with regard to the definition of criminal offences and sanctions in an area subject to harmonisation measures by the same ordinary or special legislative procedure as was followed for the adoption of the harmonisation measures in question.'.

Amendment 28, page 8, line 1, at end insert—

'(3A) Subject to subsection (3B), a Minister of the Crown may not vote in favour of or otherwise support a decision under Article 4 of the Schengen Protocol that would cause the United Kingdom to participate in further provisions of the Schengen *acquis*, unless a Minister of the Crown has given an oral statement to the Chamber of the House of Commons on Her Majesty's Government's intention to support the draft decision.

(3B) Subsection (3A) does not apply to a decision that falls under section 6(4)(k).

(3C) In subsection (3A), "the Schengen Protocol" has the same meaning as that given in section 6(5).'.

Amendment 29, page 8, line 1, at end insert—

'(3D) A Minister of the Crown may not permit the United Kingdom's participation in the final adoption of a measure building upon the Schengen *acquis* unless a Minister of the Crown has given an oral statement to the Chamber of the House of Commons on Her Majesty's Government's intention that the United Kingdom will participate in final adoption of the measure.'.

Amendment 30, page 8, line 3, leave out from 'under' to end of line 5 and insert

'any of the following unless the draft decision has been approved by Act of Parliament—

(a) the provision of Article 77(3) of TFEU that permits the adoption of provisions concerning passports, identity cards, residence permits or any other such document;

(b) the provision of Article 81(3) of TFEU that permits the adoption of measures concerning family law with cross-border implications through a special legislative procedure;

(c) the provision of Article 87(3) of TFEU that permits the adoption of measures concerning operational co-operation between the authorities referred to in Article 87 of TFEU;

(d) the provision of Article 89 of TFEU on the operation of certain competent authorities of a member State in the territory of another member State.'.

Amendment 31, page 8, line 7, leave out from 'measure' to end of line 16 and insert

'unless the notification in respect of the measure has been approved by Act of Parliament; but this provision shall not apply to a notification in relation to—

(a) a measure extending the powers of Eurojust to include the initiation of criminal investigations;

(b) a measure adopted under Article 81(3) of TFEU (family law) that determines those aspects of family law with cross-border implications that may be subject to the ordinary legislative procedure;

(c) a measure adopted under Article 82(2)(d) of TFEU (minimum rules on criminal procedure) that identifies a further specific aspect or aspects of criminal procedure to which directives adopted under the ordinary legislative procedure may relate;

(d) a measure adopted under Article 83(1) of TFEU (particularly serious crime with a cross-border dimension) that identifies a further area or areas of crime to which directives adopted under the ordinary legislative procedure may relate.'.

Amendment 34, page 8, line 16, at end add—

'(7) A Minister of the Crown may not give a notification under Article 3 or 4 of the AFSJ Protocol that the United Kingdom wishes to take part in the adoption and application of a measure, or to accept a measure, to which this subsection applies unless—

(a) the notification is approved by Act of Parliament; and

(b) the referendum condition is met.

(8) The referendum condition is that set out in section 3(2), with references to a decision being read for the purposes of subsection (7) as references to a notification.

(9) Subsection (7) applies to a measure that includes, at the time of notification by a Minister of the Crown under Article 3 or 4 of the AFSJ Protocol, the extension of the powers of Eurojust to include the initiation of criminal investigations.'.

Amendment 35, page 8, line 16, at end add—

'(7) A Minister of the Crown may not give a notification under Article 4 of the AFSJ Protocol that the United Kingdom wishes to accept a measure to which this subsection applies unless—

(a) the notification is approved by Act of Parliament; and

(b) the referendum condition is met.

(8) The referendum condition is that set out in section 3(2), with references to a decision being read for the purposes of subsection (7) as references to a notification.

(9) Subsection (7) applies to the following—

(a) a measure adopted under Article 81(3) of TFEU (family law) that determines those aspects of family law with cross-border implications that may be subject to the ordinary legislative procedure;

(b) a measure adopted under Article 82(2)(d) of TFEU (minimum rules on criminal procedure) that identifies a futher specific aspect or aspects of criminal procedure to which directives adopted under the ordinary legislative procedure may relate; and

(c) a measure adopted under Article 83(1) of TFEU (particularly serious crime with a cross-border dimension) that identifies a further area or areas of crime to which directives adopted under the ordinary legislative procedure may relate.'.

Amendment 39, page 8, line 16, at end add—

'(7) In addition to the approval required in accordance with subsection (1) or (4), as the case may be, a Minister of the Crown may not give a notification under Article 3 or 4 of the AFSJ Protocol that the United Kingdom wishes to take part in the adoption and application of a measure, or to accept a measure, to which this subsection applies unless—

(a) the previous decision by virtue of which that measure is proposed or was established has been approved by Act of Parliament; and

(b) the referendum condition in relation to that previous decision has been met.

(8) The referendum condition is that set out in section 3(2), with references to a decision being read for the purposes of subsection (7) as references to a previous decision.

(9) Subsection (7) applies to a measure proposed or established under Article 82(2) or 83(1) of TFEU by virtue of either—

(a) a previous decision, in which the United Kingdom does not participate, adopted under Article 82(2)(d) of TFEU that identifies a further specific aspect or aspects of criminal procedure to which directives adopted under the ordinary legislative procedure may relate;

(b) a previous decision, in which the United Kingdom does not participate, adopted under Article 83(1) of TFEU that identifies a further area or areas of crime to which directives adopted under the ordinary legislative procedure may relate.'.

New clause 5—*Approval required in connection with Title V*—

'(1) A Minister of the Crown may not give a notification to which this subsection applies unless Parliamentary approval has been given in accordance with subsection (3).

(2) Subsection (1) applies in relation to a notification under Article 3 of Protocol (No. 21) on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to TEU and TFEU (the "AFSJ Protocol") and Article 4 of the Protocol integrating the Schengen acquis that the United Kingdom wishes to take part in the adoption and application of any measure proposed under Title V.

(3) Parliamentary approval is given if—

(a) in each House of Parliament a Minister of the Crown moves a motion that the House approves Her Majesty's Government's intention to give notification in respect of a specified measure, and

(b) each House agrees to the motion without amendment.

(4) Despite any Parliamentary approval given for the purposes of subsection (1), a Minister may not vote in favour of or otherwise support a decision under a provision falling within Title V unless the draft decision is approved by Act of Parliament.

(5) A Minister of the Crown may not give a notification under Article 4 of the AFSJ Protocol that the United Kingdom wishes to accept a measure unless the notification in respect of the measure has been approved by Act of Parliament.'.

Mr Clappison: We come to a new subject area, that of freedom, security and justice, which used to be known as the judicial and home affairs pillar of the EU. As the clause stands, it would require parliamentary approval for a UK decision to opt in to certain provisions in the area of freedom, security and justice. At the moment, as I am sure the Committee knows, the UK enjoys an opt-out in that area. Were a decision to be taken to opt in to one of the matters specified in clause 9, parliamentary approval would therefore be needed.

Three such matters are specified in clause 9(2). Generally, they seem to cover further developments in the field that are not specifically set out in the freedom, security and justice chapter, which is chapter 5 of the treaty of Lisbon. I should say that that is a lengthy chapter containing many matters. I think I can see the Government's thinking, which is to cover further developments in European law and new ideas in the field of family law, criminal procedure and serious crime. I agree with that thinking, as far as it goes, because it means that opt-ins on those matters will require parliamentary approval.

It should be said straight away that that is an improvement on the current situation, in which there is no requirement for approval of any of the important matters specified in the clause. There will therefore be additional protection, if one wants to look at it that way, and there will certainly be an additional role for the House, which will be required to give its approval before the UK can opt in.

My amendment 14 would take matters further in a logical way, by making any chapter 5 opt-in subject to the same parliamentary approval that is required for the three matters specified in the Bill.

Ms Gisela Stuart: Will the hon. Gentleman give way?

Mr Clappison: I certainly give way to the hon. Lady, who I know has an interest in these matters.

Ms Stuart: I am grateful to the hon. Gentleman for giving way and for tabling the amendment. Does he share my sadness that since May 2010, the Government have opted in to eight such provisions, including on such matters as the European investigation order, a new IT agency and a new crime and immigration database that will cost €113 million to set up, without the House having had any say in the decision?

Mr Clappison: The hon. Lady has updated my information, which goes only as far as 30 November, by which point there had been six opt-ins. There have therefore been another two since, and they are coming along all the time. We heard evidence in the European Scrutiny Committee that 30 or 40 such opt-ins were due to take place. The EU has an ambitious programme in that regard—that is not an expression of opinion; it has admitted it. I shall deal with that later.

The hon. Lady is absolutely right that some of the opt-ins are on important points, and I shall come to one or two of them that I experienced under the previous procedure. I should like to ask the Minister how many of the provisions that we have opted in to since the present Government came to power would have been covered by the procedures in clause 9. I fully accept that those procedures are an improvement on the current situation, but I should like to know how well they cover the ground.

As the hon. Lady said, some of the opt-ins have been significant. I wish to mention two in particular—they were debated a little yesterday, so I will not take the Committee over the same ground. They are the European investigation order, which received practically no scrutiny in the House and on which we had no opportunity for a vote, and the draft directive on the right to information, which was also very important. We had a little more scrutiny of it, but no real opportunity for a vote unless one was prepared to trigger a deferred Division.

Under successive Governments, the UK has been very careful and vigilant about permitting the EU to deal with the so-called area of freedom, security and justice, which is dealt with in clause 9. That goes back to pre-Maastricht days, when such matters were dealt with on the basis first of informal co-operation, and then of slightly more formal co-operation, between Home Affairs Ministers. They were not dealt with as part of the treaties or Community institutions—Home Affairs Ministers simply met to co-operate as such.

The Maastricht treaty put that on a more formal basis with what was described as the justice and home affairs pillar, which was the third pillar of the treaty. The first pillar was the old matters within the treaty—the single market, fisheries and agricultural policy, and all the rest of it—and the second was common foreign security policy.

One or two hon. Members who are in the Chamber now were in the House at the time of that treaty, and there was much debate on the justice and home affairs pillar. We were assured—I remember being given a solemn assurance by an authoritative figure in the Government of the time—that the treaty settled the problem as far as justice and home affairs were concerned, that we need not worry about home affairs coming within the purview of the Community method and Community institutions, and that they were being kept separate. The same applied to the common foreign security policy. The implication was that the pillars in the treaty would stand for ever, and that they were all the protection and assurance we needed. I am reluctant to say this but I have heard similar claims in respect of many other so-called safeguards since then, including in the course of this debate.

Mr Cash: Does the word "lie" crop up in that context?

Mr Clappison: I am afraid that I was credulous. We were perhaps willing to believe and wanted to believe what we were told. We knew that it was right for the UK not to come within such matters in the EU so that we did not gradually integrate into a superstate or a federal united states of Europe. Many are still worried about that and we wanted to avoid it, and we thought the pillars were the answer.

Martin Horwood (Cheltenham) (LD): One additional safeguard that was introduced in the Lisbon treaty is emergency brake clauses, which can be initiated within six months. They need not even be initiated by the

[Martin Horwood]

Executive; a national Parliament can do so. What is to prevent the European Scrutiny Committee from doing what it says on the can, scrutinising those things, and initiating a debate and the process that might engage the emergency brake clauses? They are a fundamental check and balance.

Mr Clappison: My humble amendment 14 proposes only that the House should have a vote on such matters. The hon. Gentleman implied yesterday that he agreed with that. I will turn in more detail to my amendment in a moment, but to dispose of his point, I have been told so many times in the House when we have made a concession to the EU, or agreed to further integration, the granting of competence or additional powers, or changes in its institutional arrangements, "Don't worry. We are putting safeguards in place." At the time of Maastricht, that meant the pillar structure. We were then told about subsidiarity, and we now have orange and yellow cards and emergency brakes, but no one has come anywhere near using those devices. We have had subsidiarity for 18 years, and the only time that it was used that I have been told about is in respect of the zoo directive.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I remember being told in the early 1990s that enlargement would have a decentralising effect on the EU, and that the increase in the number of net payers to the EU budget would create downward pressure on it. The history of our relationship with the EU is littered with complacent and wishful ministerial assertions on what will happen as a result of Government actions and agreements in the EU. My hon. Friend is absolutely right.

4.45 pm

Mr Clappison: Notwithstanding all the assurances, such as the ones that we just heard from the hon. Member for Cheltenham (Martin Horwood), about the safeguards that are in place and despite all that we have been told over the years, under the treaty of Lisbon judicial and home affairs were planted fairly and squarely in the Community institutions and method, under what was the old first pillar, and subject to the ECJ and all the other EU institutions.

Mr Cash: The hon. Member for Cheltenham mentioned the European Scrutiny Committee, so may I say that the investigative order is still subject to scrutiny? He may be assured that we will follow every step, but we have no confidence in that part of the coalition that voted for all these arrangements under the Lisbon treaty—by that, I do not mean the Scrutiny Committee because I am talking about myself.

Mr Clappison: To be fair to the hon. Member for Cheltenham, he has an honourable and consistent approach to these matters which has a lot of appeal in the country. He is in favour of a more integrated Europe and of expanding the competences of the EU in co-operation with Europe. That is an honourable point of view to take. I take a slightly different view, but I respect him for his views. However, I would point out to him that of all the safeguards that have been mentioned, the one that seems to have been most satisfactory—it is possibly the only one—is the opt-out. When one surveys the history of this country's participation in the EU, the areas in which people take most satisfaction are those from which we opted out, foremost among which is the single European currency. Some people say that that was one of the greatest achievements of our European policy. All the things that we have gone along with are the subject of great dissatisfaction.

Kelvin Hopkins (Luton North) (Lab): I apologise for missing the start of the hon. Gentleman's speech. I agree with what he says about opt-outs. Would it not be to the advantage of the British people if we could also opt out of, for example, the common fisheries policy?

Mr Clappison: My constituency does not have a fishing port, but my understanding is that there are no demonstrations in favour of the CFP in fishing ports.

Ms Gisela Stuart: I confirm that people in Edgbaston also do not talk much about fishing policy.

The reason why the hon. Gentleman's amendment is so important is that it goes to the heart of the contradiction. We are told that the EU is a political construct in which the Union has only those powers that member states have decided to give it, but when we raise questions we are told that there are safeguards, which actually shows that that is not quite how it works. Proportionality and subsidiarity have not worked—only the opt-out contains the powers, and that is why it is so important.

Mr Clappison: That is why the opt-out is so very important, and that point brings me to the subject of this amendment.

Mr David: The hon. Member for Stone (Mr Cash) made an indirect reference to the opt-in by the Government on the European investigation order. The Government provided the reason—some might that think that it was an excuse—but it could not be scrutinised by the Scrutiny Committee here or in the other place because of the general election. If the political will had been there, would it not have been possible to have at least informal consultation with leading members of the outgoing Committee, so that the Government had an indication of informed Back-Bench opinion on the issue?

Mr Clappison: During the period that the hon. Gentleman's party was in office, we tried informal consultations, formal consultations and many other forms of consultation, and we did not get very far. To be fair to Ministers, this clause is a step forward and improves on the position that they inherited. I am trying to go just a little further than that, because this is such an important issue. I seem to remember that we were told that the opt-out on justice, freedom and security was one of the differences between the defunct constitutional treaty and the treaty of Lisbon—that the UK had an opt-out. That was given as one reason why we did not require a referendum.

I also seem to recollect—I will be corrected if I am wrong—that justice and home affairs were described as one of the then Government's "red lines" when they were negotiating the treaty of Lisbon. The former Prime Minister, Tony Blair, said that he was not prepared to cross those red lines. The opt-out was one of those red

lines, so if the present Government opt in to those areas, we will have crossed those red lines. That illustrates how important the issue is. However, I give credit to my right hon. and hon. Friends on the Front Bench, because they are taking it very seriously indeed. They have made a lot of progress, but we are not talking about something over which, like it or not, the European Union has competence, because it does not. That is the important point.

We have opted out. We can sit back. We do not need to do anything as far as those matters are concerned. We are not in a position, which we would be in if we had not opted out—that is, if we had ordinary membership and were involved in ordinary participation—where we could be outvoted on qualified majority voting; nor, if something was subject to unanimity, would we face being in the possibly invidious position of being the only ones objecting to it, thereby holding up all the other members and preventing them from doing something that they wanted to do. Those considerations do not arise. We have opted out of those matters, and there is no pressure on us to opt in to them. Opting in would be a voluntary decision on our part, and would mean choosing to submit ourselves to the institutions of the European Union—the Community method and the jurisdiction of the European Court—and to abnegate self-government for this country on those matters.

Martin Horwood *rose—*

Mr Clappison: I will give way to the hon. Gentleman, but I want to make a bit of progress.

Martin Horwood: The hon. Gentleman is being extremely generous in giving way. He is extolling the virtue of opt-outs, as opposed to using emergency brake clauses, which are designed to provide a safeguard against the opt-in procedure. However, to put the boot on the other foot, has he or any of his hon. Friends ever attempted to initiate any of the brake clauses, which, as I have said, is in the hands of national Parliaments, not Governments? If not, what is his real complaint?

Mr Clappison: Why should we want to opt in to something and then apply the emergency brake? I do not understand the thinking on that. If we opted in, that would presumably be because we saw some virtue in doing so and would not want immediately to put our foot on the brake. However, the hon. Gentleman has an honourable position on this issue. I have a completely different view: I want our criminal and civil law to be made in this country, I want the people of this country to exercise self-government over themselves, and I want them to be able to change Governments by exercising their votes. They would not be able to do any of that if we had opted in, because then we would be submitting ourselves voluntarily to European government, as opposed to democratic self-government in this country. There is therefore a fundamental difference between us.

It is significant if we decide to opt in because once we have done so, we could become subject to amendments on the same matters. Although we would have an opt-in on those as well, we would none the less be under a great deal of pressure, facing the prospect of financial penalties, were we not to opt in to any proposals that came along. We took a lot of evidence in the European Scrutiny Committee on that issue from the former Foreign Secretary, particularly about the unsatisfactory arrangements that were made for new opt-ins, as well as the existing opt-ins to the former judicial and home affairs pillar, where we face financial penalties. One cannot be said to be exercising a free choice if one faces a financial penalty for not going along with something.

More importantly, we are also submitting ourselves to the European Court of Justice. In debates on previous groups of amendments we heard some good examples of what can happen with competence creep under the old article 308. However, competence creep can also come about, as it has done, through the European Court of Justice exercising its jurisdiction. We are voluntarily submitting ourselves to that jurisdiction, and that does not apply only to cross-border matters, which is the pretence. Rather, we are submitting to the European Court of Justice's jurisdiction in every element of criminal law and civil law, and in all our courts across the country, if we opt in to matters that govern those elements.

We sometimes complain about the lack of transparency in EU decision making, but to be fair to the European Union there is no lack of transparency about its ambitions. I believe that one of its ambitions is to build an area of freedom, security and justice; I disagree with the hon. Member for Cheltenham on that. In President Barroso's state of the Union address last autumn—he has one as well as President Obama now—he said that it was the European Union's third top priority to build such an area. That is also in the treaty of Lisbon. We can expect to see many proposals on European contract law and many other issues in the coming year or so, and we shall have to decide whether to opt in to them or not. The proposals that my hon. Friend the Member for Stone (Mr Cash) and others have put in place would be of great assistance when those matters come before the House for consideration.

I commend the interest and commitment of my right hon. and hon. Friends on the Front Bench on this issue. They have recognised that it is a problem, and set out to deal with it in a much better way than it has ever been dealt with before. We now have clause 9. In addition, a written ministerial statement was made last week. It did not go quite as far as I would have wished, but I have a lot of wishes in that regard. It represented a significant improvement, however, and we have been promised a substantive vote when there is interest in these substantial matters in the House, to enable hon. Members to express their approval. There is still a question of who decides which matters are of great interest, but this is at least a step forward.

I hope that time will be found and that we will have those votes, because it is very much in the interest of the Government and the House that they take place. I urge my right hon. and hon. Friends not to exercise the legislative override but to permit a full debate on these matters on a substantive motion, preferably on the Floor of the House, with a vote at the end of it. They have promised to discuss these matters with the European Scrutiny Committee and its Chairman, my hon. Friend the Member for Stone—I know that he stands ready to help in those discussions—and to facilitate debates and votes taking place in the House.

I am sure that constructive discussions will take place on how this can be arranged, and on how we can improve our scrutiny of these matters. I know that Ministers take their responsibilities very seriously, and I hope that they will take from this the message that,

[Mr Clappison]

while we regard all scrutiny as important, it is particularly important in regard to the opt-ins that would bring us within the purview of European Union institutions for the first time. It is especially important that we should have debates and votes on them, and that Ministers should listen to the messages that they receive. They should consult members of the European Scrutiny Committee and listen to what they are told, and we should proceed on that basis.

I would prefer us not to opt in to any of these things. I would prefer us to exercise the opt-out, but we are where we are. If we are going to have the possibility of opt-ins, it is preferable that we have a proper debate and a proper vote on the Floor of the House of Commons, rather than some of the procedures that we have gone through in the past which, despite the diligence and hard work of the European Scrutiny Committee, did not really amount to what our constituents would regard as proper scrutiny, because of the restrictions involved.

I am relying on my right hon. and hon. Friends on the Front Bench to make good their words, as I am sure that they will wish to do, about further improvements to the parliamentary scrutiny of these matters. I shall not press my amendment to a vote, but I look forward to discussions taking place so that we can build on the improved system that is being put in place to create a much better system of parliamentary scrutiny.

5 pm

Mr David: I would like to say a few additional words about clause 9, which follows on directly from what has been said. I do not want to repeat what I said earlier, but I hope that the Minister will respond to the points I raised earlier about the clause. Unfortunately, he simply dismissed my earlier question about the advocates-general. We are in Committee and we have every right to expect proper and considered responses from the Minister.

As the hon. Member for Hertsmere (Mr Clappison) said, this is an important issue. It has in the past been a red line in the negotiations, and the opt-ins that are possible in the not-too-distant future should at the very least be subject to proper debate and parliamentary scrutiny. That is absolutely correct. What I am concerned about, to return to a point I made earlier, is the apparent illogicality of the Bill. If, by common agreement, this is an important area, surely there should be careful consideration of whether or not there should be a referendum on this subject.

I am not arguing the case for having referendums generally—as I said in the debate a couple of days ago, there are profound conceptual problems in having a multiplicity of referendums—but I believe this is an important issue. If the Government claim to be producing a piece of legislation that is logical, coherent and systematic, I would like to know their argument for not having a referendum on these opt-ins.

Stemming from that, the Minister has made it abundantly clear—he made it very clear last night—that the Government will not contemplate holding a referendum until 2015 at the earliest, but the issue of these JHA—justice and home affairs—opt-ins will come to the fore in the next few years. It is therefore important to have a proper response from the Government, so the Minister should at the very least attempt to justify his position.

Several hon. Members *rose—*

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. I remind the Committee that there will be no separate clause 9 stand part debate. If anyone wishes to make any comments relevant to that, now is the time to do so.

Chris Heaton-Harris: I shall speak mainly to the amendments I have tabled, talk about the general opt-ins and ask a couple of questions about the written ministerial statement that was issued last Thursday, particularly on how aspects of it might work in the future. I always have questions about the who and when of decision taking.

My amendment 27 deals with something that is missing from the Bill—the body known as Eurojust. Eurojust is not the European public prosecutor, but it represents a massive step towards a European public prosecutor. Under article 85 of TFEU, its remit falls under ordinary legislative procedure, so a proposal comes from the Commission, qualified majority voting applies in the Council and co-decision applies within the European Parliament. It already has a huge amount of power—or it will have, when it is set up.

In April 2010, the European Commission published a document delivering

"an area of freedom, security and justice for Europe's citizens",

which was an action plan implementing the Stockholm programme. The Stockholm programme is the five-year European Union plan for justice and home affairs measures, which was adopted by the European Council in December 2009. On page 18 of the document, the European Commission states that in 2012, it will make a proposal for an EU regulation

"giving Eurojust powers to directly initiate investigations."

Even if the current Government do not opt into the proposal, there is nothing in the Bill to require them to seek Parliament's or the people's approval to opt in once the regulation is adopted, allowing Eurojust to initiate investigations in the UK, for example. This is a massive step towards the European public prosecutor. I hope the Minister will reassure me that he will address that point at some stage, if not today.

It may be useful if I provide some examples of significant justice and home affairs matters that the last Government opted into. I could have picked any issue in that category, but I chose the issue of asylum because I know that it always gets the blood flowing.

Among other things, directive 2004/83-EC

"on minimum standards for the qualification and status of third country nationals or stateless persons as refugees or as persons who otherwise need international protection and the content of the protection granted"

sets out the rights enjoyed by those who have been granted refugee status. Some of them go beyond the rights approved for the 1951 Geneva convention on refugees, such as those relating to access to the employment market and social security.

Directive 2003/9/EC,

"laying down minimum standards for the reception of asylum seekers",

includes provisions on the rights of asylum seekers to access the jobs market in certain circumstances, and on the accommodation that must be offered to them. Directive 2005/85/EC

"on minimum standards on procedures in Member States for the granting and withdrawing of refugee status"

lays down various restrictions and requirements regarding the procedures that member states can follow in processing asylum claims and withdrawing refugee status. They include specific requirements for the possibility of legal challenge by asylum seekers to various decisions taken as part of the process.

Those pieces of legislation were part of the first wave of the construction of the common European asylum system that was first called for in the Tampere European Council of October 1999. The Commission has been pressing on with further legislation to build that common system since then, and over the past two years it has presented three proposals for directives to replace those that I have cited. The general thrust of the proposals is a desire to further "harmonise" asylum policy and processes across the EU and, as a consequence, to limit national discretion yet further. As it happens, the last Government decided not to opt into those later proposals; but what would happen if this Government, or a future Government, chose to opt into them? It is realistic to assume that, under the Bill, Parliament would have no legal control.

I agree with my hon. Friend the Member for Hertsmere (Mr Clappison) that the Bill constitutes a step forward in one respect, and I congratulate the Minister on advancing so far. The written ministerial statement on justice and home affairs scrutiny laid before the House last Thursday contains a great deal of common sense, but I think that there is a need for further discussion of the consequences that will flow from it with the European Scrutiny Committee and other interested parliamentarians. Let me quote the key passage. It states that

"in circumstances where there is particularly strong parliamentary interest in the Government's decision on whether or not to opt in to such a measure, the Government express their willingness to set aside Government time for a debate in both Houses on the basis of a motion on the Government's recommended approach on the opt-in. The precise details of these arrangements to allow such debates and the circumstances in which Government time would be set aside will be the subject of further consultation with the European Scrutiny Committees, business managers"

—otherwise known as the wonderful Whips who are so kind and gentle to us all in this place—

"and the Commons and Lords Home Affairs and Justice Select Committees. These discussions will also need to determine how arrangements would operate during periods of parliamentary recess and dissolution of Parliament."

That is all pretty good.

"However, the Government believe that as a general rule, it would be appropriate to do so in circumstances where they propose to opt in to a measure which would have a substantial impact on the United Kingdom's criminal or civil law, our national security, civil liberties or immigration policy. The Government will also put in place analogous arrangements for parliamentary scrutiny of decisions to opt-out of measures under the Schengen protocol."—[*Official Report*, 20 January 2011; Vol. 521, c. 52WS.]

The written ministerial statement raises a number of questions. I shall talk about a couple of them now, but I would like to think that discussions can be ongoing and we can flesh out the detail. What would constitute "particularly strong parliamentary interest"? How, therefore, is a debate in Government time triggered? Would it be triggered by a referral by the European Scrutiny Committee? That could be complemented by an additional right whereby a certain number of MPs could trigger such a debate. Does the commitment to a debate and vote cover the opt-in to a justice and home affairs law already adopted by the other member states? The written ministerial statement seemed to indicate otherwise. Similarly, does the commitment cover the opt-in to new aspects of the existing Schengen acquis, such as common visa rules, where this opt-in is not covered by clause 6 of the Bill? Would it cover the opt-in to a pre-Lisbon police and criminal justice law that has ceased to apply to the UK because it exercised the bloc opt-out before June 2014? If it does cover that, how would Parliament be made aware that such an opt-in was being considered by the Government, given that this could happen at any time?

Ms Gisela Stuart: I hope that the hon. Gentleman will tell me if I say something that is incorrect, because I have not had sight of that written ministerial statement. We know that whenever we negotiate an opt-out in Brussels we spend political capital so, by definition, anything that we negotiate to opt out of is significant and an opt-in is a significant step. So any opt-in ought to be debated in Parliament and subject to a substantive vote because it must have been so important that we expended political capital securing it.

Chris Heaton-Harris: I tend to agree with the hon. Lady. When she reads the written ministerial statement, she will see that it represents a huge step forward in our scrutiny of these things in this place and she may see what measures the Government might want to opt into. I wished to raise this question of the opt-in now, because I think that the Bill is a step forward, as is this clause.

Martin Horwood: I was interested by the intervention made by the hon. Member for Birmingham, Edgbaston (Ms Stuart). She has great knowledge of European matters, but she may be wrong about this. Not everything that we are talking about opting into based on these passerelles has been positively opted out of before. We are talking about new ways of working within the competences already set out in those passerelles.

Chris Heaton-Harris: That is possibly the case. I do not wish to give a definite answer, because I am not the expert on this matter and I was just raising it for the Committee in general debate. I am not sure that what the hon. Gentleman describes is the case, but I would hate to say that he is wrong because, as my hon. Friend the Member for Hertsmere said, although we might have different views, the factual statements that the hon. Member for Cheltenham (Martin Horwood) has made have invariably been correct.

Mr Clappison: The opt-in arrangements are found in the "Protocol on the position of the UK and Ireland in respect of the area of freedom, security and justice". This is in the Lisbon treaty itself and as far as those matters are concerned we have to opt in.

Chris Heaton-Harris: I am looking forward to the Minister clarifying that for us all. I was discussing the questions about the written ministerial statement where we need things fleshed out. This Government commitment does not require the Government to come before Parliament to get approval for each of their decisions to opt in, which is what the amendments would entail. Although the current Government might give this commitment, it may not apply in the future, whereas a requirement in statute, rather than something in a written ministerial

[Chris Heaton-Harris]

statement, would be expected to withstand the passage of time much better. There are a number of omissions from the written ministerial statement. It does not deal with the timing of the process and whether new proposals are acted on in a different way, and the arrangements for opting into things that have already been adopted by our EU partners causes me concern, because I am not sure whether this process catches that.

Those are all matters of conjecture and question, and they are ways in which we can altogether improve the scrutiny of justice and home affairs opt-ins in the future. I see the hon. Member for Caerphilly (Mr David) nodding his head in agreement and I believe there is massive cross-party and cross-Parliament interest in getting this process right for the future. I do not see the issue as politically contentious.

I note the massive steps forward that have been made with this Bill and in the written ministerial statement, so I shall not press my amendments to a vote either. I thank the Minister for coming so far so fast and look forward to working with him on this matter in the future.

5.15 pm

Mr Dominic Raab (Esher and Walton) (Con): Thank you, Mr Evans, for calling me to speak in this debate on clause 9, which is one of the Bill's key provisions. The treatment of justice and home affairs merits close scrutiny in the Bill. The EU is increasingly seeking to broaden and deepen its authority in this important area. We need only to consider the inception of the Stockholm programme, to which the previous Government signed up, on policing, justice, asylum and borders. It is also illustrated—if further illustration were needed—by the 13% budget increase for this policy area in this year's EU budget, which is higher than that for any other area. That is a sign of the ambition in Brussels to move bit by bit towards a pan-European legal system, at odds with our distinct history and tradition of justice reflected in the common law, our safeguards for personal freedom and our adversarial court system.

Nick de Bois: My hon. Friend has touched on a matter of great importance. I welcome the safeguards. It seems to me that justice in other countries is very different from justice in ours, principally on the basis of mutual recognition that many things are the same. It concerns me that we must keep as divorced as possible from the system in France, for example. Even a former French Justice Minister said, "The assumption here is that one is innocent until one is proven guilty, but in reality, with our magistrates courts, it is the other way around." That will be difficult to reconcile and we must have very strong safeguards.

Mr Raab: I thank my hon. Friend for that intervention and I agree entirely with him. We can already see an example of that in the European arrest warrant. We have jumped in and we are now reviewing its domestic implementation and the potential for the international instrument. The presumption of innocence is just one area, as my hon. Friend has suggested, where we have a fundamental difference of legal cultures. I do not think that either party should show that any disrespect.

Brussels certainly has ambitions in that area and with those ambitions in mind I want to point out that there are disappointingly few decisions on JHA policy in the Bill for which, although there is no referendum requirement, parliamentary approval is required before the Government take a decision to opt in. For example, as I understand it the decision to opt into the European investigation order would not have required Parliament's approval under the Bill despite its ramifications for operational policing and the lack of safeguards for innocent British citizens. Immigration and asylum policy is also left out despite the fact that the EU is currently proposing far-reaching changes in that very important area.

I would be the first to accept that the British people cannot have a referendum on every item of JHA policy, but why cannot their elected representatives have a say on every opt-in to ensure proper democratic scrutiny? I am very encouraged by the Minister's written statement, which I have looked at closely and which effectively endorsed the principle of a parliamentary vote on JHA opt-ins. That is an important step forward and, as other Members have made clear, it is extremely welcome. As the statement made clear, such a provision would depend first on the discretion of the European Scrutiny Committee and its Chair to call a debate and table a motion. That is fine with the current Committee and Chair, but—if we can possibly imagine this—if it were one day to have a less meticulous Chair or more integrationist members, that check might be diluted. Secondly, the provision would depend on the discretion of Ministers about whether to make Government time available.

It would strengthen the Bill considerably if the arrangements to which the Minister agrees in principle could be spelt out in practice in legislation. I know many Members would welcome such a step.

There is an even more important issue to consider than the individual opt-ins. Britain has to decide by June 2014 whether to accept European Court of Justice jurisdiction over police and justice measures that predate the Lisbon treaty or, alternatively, to opt out altogether. After that date, the full body of pre-Lisbon legislation will come under the control of the Luxembourg Court, so this decision has enormous constitutional implications for our criminal justice system. It represents a unique opportunity for this country either to regain control of our justice agenda or, if we so decide—let us not rule out this option—fully to embrace a pan-European model. I am clear in my own mind that we should preserve our distinct justice system which is famous the world over. It guarantees our personal freedoms and defines the British sense of fair play.

Beyond the technical niceties of the Bill, something bigger is at stake—from habeas corpus to the presumption of innocence, which my hon. Friend the Member for Enfield North (Nick de Bois) mentioned, or to free speech, which is poorly protected in France and seems to be disappearing in Hungary but is still cherished in Britain. These abstract legal concepts define our citizenship, our identity, our culture and ultimately our way of life. I respect the fact that others may disagree on this; some may wish to argue the merits of the Napoleonic legacy or the pros and cons of the continental civil law tradition, while others may claim that a pan-European amalgam might just get the best of both worlds. That is fair enough, and those are perfectly respectable positions, but what is not acceptable is for that kind of decision on

a matter of that kind of magnitude to be quietly nodded through without the formal debate and approval of the House. I welcome the policy commitment in last week's written ministerial statement, but we need a commitment that the decision to opt in en bloc will be subject to parliamentary approval and not just a debate, and it would be relatively easy to do that in the Bill.

To conclude, I support the aims of the Bill and much of its content. It has the potential, at least, to transform the country's relationship with Europe and to restore some transparency and legitimacy to the much-shrouded decision making in Brussels.

Mr Jenkin: In the next group of amendments we will discuss this same topic in relation to a possible Act of Parliament or referendum. Will my hon. Friend reflect on the fact that it would be inconceivable that a Government could implement such a dramatic change to our legal system and our legal culture without a substantial Act, or several Acts, of Parliament? Is a resolution of the House enough to govern this Executive act—this stroke of the pen—by a Minister at a meeting of the Council of Ministers?

Mr Raab: I thank my hon. Friend for that intervention; his point is well made. Obviously, if we decided to opt in, legislation would be inevitable, but the question is whether or not we should opt in. That principle should be subject not only to legislative scrutiny but to a debate and a vote.

Kelvin Hopkins: Before the hon. Gentleman concludes, I want to support very strongly what he has been saying. An important factor of the British legal system is the fact that it has been imitated throughout the Commonwealth. Many Commonwealth countries have legal systems based on ours, and if we abandoned our legal system in favour of a completely different system—a continental European system—that would break an important link with the Commonwealth that we should preserve.

Mr Raab: I thank the hon. Gentleman for that intervention and I agree. Indeed, senior members of the judiciary have said the same thing. The Lord Chief Justice recently gave a very informative speech saying that Britain no longer seems to be the champion of the common law. The ever-increasing move towards European integration in this area undermines that. Any proposed opt-in to justice and home affairs legislation, which goes to the very heart of our laws, liberties and way of life, must first be subject to proper oversight by and the approval of the House.

Mr Cash: I congratulate my hon. Friends the Members for Hertsmere (Mr Clappison), for Daventry (Chris Heaton-Harris) and for Esher and Walton (Mr Raab) on their speeches.

After 26 years of scrutinising treaties of one kind or another, sometimes tabling as many as 120 or 140 amendments, debating them in detail and listening to the arguments put forward by Government spokesmen, who say, first, for example, that we have reached the high water mark, and then that the measure is not what some people fear, perhaps it is inevitable that I have developed a certain resistance to the assumption that what we hear from the Front Bench will necessarily occur—I hope that is a nice way of putting it—and that I have become if not cynical, which would be an unfair word, at least uncertain about the consequences that subsequent events may produce.

In other words, we do not get what it says on the tin, or necessarily what we are told we are likely to get. I am very sceptical, not just Eurosceptic. I question not the honesty of individuals, but the accuracy of their predictions. I therefore believe that this set of measures, as has been amply described by my hon. Friend the Member for Hertsmere and others in this debate, is hugely important, although not more important than any of the other provisions that are part of a continual stream of acquiescence in European integration.

Where the provisions speak of not allowing measures to go through by way of opt-in, by imposing the requirement for some kind of parliamentary approval, I am well aware that we table amendments, we argue the case, we have a European scrutiny process, we go through it in detail, it has been universally applauded by Ministers and people throughout the land—

Mr Jenkin: Except the BBC.

Mr Cash: Except the BBC, as my hon. Friend says, because it has not given any attention to the legislation.

The process has received a great deal of enthusiastic support, except when it comes to the votes. For all the flattering remarks made periodically about the members of the Committee and dedication and determination that they have applied, nothing happens. We do not get any of our amendments through and the Chamber is virtually empty. There is one assiduous Member on the Opposition Back Benches. I pay tribute to the hon. Member for Birmingham, Edgbaston (Ms Stuart). She has the seat which, I think, used to be Birmingham, Central in the 1880s. She was not around at the time, but she is carrying forward a fine tradition of ensuring proper scrutiny. Her predecessors in that seat were assiduous in ensuring that the interests of the people of Birmingham were well looked after. I pay tribute to her not only for the fact that she is here today on her own on the Opposition Back Benches, but that she is taking an active part.

Ms Gisela Stuart: I have no idea who held the seat in the 19th century, but I am encouraged, on matters European, that someone born near Munich now has Neville Chamberlain's old seat.

Mr Cash: That is an interesting insight. However, I shall not follow the hon. Lady down that route as it would take me into area in which I have a great deal of interest. The hon. Lady tempts me, but she will not succeed on this occasion.

I return to my concerns. I do not mean this as personal criticism of the Whips. They have a job to do. They are told what to do. It is part of a policy, and the question is whether we want this set of provisions on family law, criminal procedure, serious crime with cross-border dimensions and so on to be implemented at all. The problem we have relates to a decision whether to opt in. We should not be contemplating it. That is the problem. With great respect to my hon. Friends, I am not criticising; I am simply making a point.

5.30 pm

I am concerned that we might congratulate the Government a little too much on their restraint in giving approval by way of Act of Parliament or some motion, which, as my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) said, really amounts to no more than a resolution. After getting past what I call the pas de deux of the opt-in, we then move downstream into the question of whether the Whips would allow the vote to go the wrong way. We have already had the example of the opt-in for the investigative order. We know from my hon. Friend the Member for Hertsmere that there are 40 such opt-ins on the way. This is the Europeanisation of our criminal system—

Mr Clappison: And civil system.

Mr Cash: Yes, and civil. Let us not get carried away by a few bits of paper and a few words in a Bill. They say that there will be restraint by way of approvals given by the House, but we know the realities. In relation to the opt-in on the investigative order—I think it was on 15 June, shortly after the general election—it can fairly be said that the Minister believed that she had to make that decision because, I think I am right in saying, there was a three-month period within which the decision had to be made. Perhaps there was some justification for the fact that she had to make the decision, but why did she make the decision to opt in? Why did she not make the decision not to opt in? That is my concern.

I plead with hon. Members not to be taken in by the effusions of reservation that emerge in letters, statements and the Bill. Right at the heart of this is the real question of whether we will end up with more Europeanisation of these matters, and the answer, emphatically, is yes.

Chris Heaton-Harris: I am sure that my hon. Friend is aware of the findings of the German federal constitutional court, which protects these matters for that country. In one judgment it said:

"Securing legal peace by the administration of criminal law has always been a central duty of state authority…To what extent and in what areas a polity uses exactly the means of criminal law as an instrument of social control is a fundamental decision. By criminal law, a legal community gives itself a code of conduct that is anchored in its values, whose violation is, according to the shared convictions on law, regarded as so grievous and unacceptable for social existence in the community that it requires punishment."

It is desperately trying to protects its laws as well.

Mr Cash: I am so glad to hear that. I was not precisely aware of that part of the judgment, but my hon. Friend has made an important and helpful comment. The argument is right, and it is by dint of the most awful experience in Germany that it has come to these conclusions over an extended period since 1945. It is vigilant about these matters because it does not want ever again to find itself in circumstances, by virtue of a lack of democracy, when Hitler ran Germany. I have an absolute belief in the democratic instincts and principles of the British people, which have been born out of fighting not only that very Germany, but previous wars, right the way back to at least the 17th century. We have built up a democratic system in which we decide what the legislation should be, and we give it careful consideration. We need some parliamentary reform. We are being given the impression that in relation to these matters we will be able to retain our criminal system, but unfortunately, because of the Whip system and the whole direction of Europeanisation, that will be removed by what will happen in practice. As helpful as all these procedures are in indicating the direction in which they might like to go in certain circumstances, I fear that we will have many opt-ins and that, in practice, the proposed procedures will be applied and the Whips will ensure that the measures go through.

I will give the European investigation order as an example. It is still subject to European scrutiny and there will be a debate on it—I cannot remember when—despite the fact that it was decided on 15 June last year. That is because the European Scrutiny Committee had not been set up by that time, but the rules still applied to that order. There will be a debate on that matter, but when it is debated, which in effect is the same kind of thing that the Minister refers to about parliamentary approval, up to a point, there will no doubt be a take-note motion—I cannot remember the precise motion—before the European Committee. The reality is that not once in the 26 years I have watched these matters has a decision of a European Committee not to take note, following a vote that went against a Minister, not been reversed on the Floor of the House by the use of the Whips. Why should I be confident that—

Mr Clappison: My hon. Friend has made some powerful points that are entirely borne out by my much lesser experience of the European scrutiny system. In the case of the European right to information order, which is another opt-in, the most we can do is vote against it in the relevant European Committee so that it comes back for a vote on the Floor of the House, but that is merely a deferred Division on whether to take note of the document. We do not have the opportunity to say no to the opt-in. Is that his experience? We must have that option in the future if the Minister is to make good the promise, made in the statement of 20 January, that we will have the opportunity in a vote on the Floor of the House to say no to an opt-in.

Mr Cash: That is such a good example. In fact, I was in that debate with my hon. Friend—I was unable to vote in the Committee but took part in the proceedings. The reality is that that is how the system works in practice. This debate is about criminal law, but it is the same for everything else in the Bill. All the treaties, including all the laws, the entire encyclopaedia, all the work that is done in all the Departments and cross-departmental work—the whole country—are being run by a process of continuous European integration. The question is whether it is good for us or not. It is as simple as that, and that is a matter for us to judge.

However, because of the way policy is made, and with the help of the coalition, we are told that the Government think it is good for us. I do not agree, and I think that there are many other Members, and certainly many more people outside, who agree with what I have just said. Although the debates have been conducted with great courtesy and a great deal of substance on both sides of the argument, the real question is about what has happened. The short answer is that the Bill will go through and that we will put up a fight again in another motion under the arrangements proposed in clause 9, but in practice the process I have described will continue to happen.

Ms Stuart: At the risk of being accused of encouraging the hon. Gentleman, I must say that when Ministers are terribly courteous it is usually an indication that we are not getting anywhere. The first rule of politics is that until they are rude, we are not getting anywhere. The real problem is that the UK Permanent Representative to the EU is politically unaccountable. My ultimate plea is to have the UKRep stand here once a week, as the Deputy Prime Minister does, and be politically accountable for the negotiations and deals that are done at Brussels. Until we have that, all this is—

The First Deputy Chairman: Order. The hon. Lady's comments are going much wider than the amendments currently before us. I believe that there is sufficient meat in the amendments.

Mr Cash: I am grateful for that, Mr Evans, because otherwise the hon. Lady might have tempted me yet again. She knows my soft point, and she knows very well that it would not take me long to get going on that issue, either. But, she is right.

I have tabled a number of amendments, but I do not intend to press them to a vote, because we have had a thoroughly good debate, and I, like my hon. Friend the Member for Hertsmere, think that further consultation between the Minister, his officials, the European Scrutiny Committee and our Clerks might help to ensure that we get the maximum out of the provisions, even if they do not really measure up.

In any case, we know what happens in our votes; we have watched them now for about a week. On one occasion, we reached 45 genuine—as I call them—abstentions. By the way, Mr Evans, your name appeared on one list, but I said, "No, he's Chairman of Ways and Means; this is not somebody you can count in." Anyway, on parliamentary sovereignty we had between 45 and 50 such abstentions, which is quite a lot, but it is not anything like as many as the number of Members who rather agree with us in the broadest sense. I shall not go down that route, but what happens in votes is not very edifying. We do not win votes, because people are being told to vote in a way that is inconsistent with what they think, and that is another democratic problem.

Amendments 99 and 98 are mischievous, simply because they were tabled only to demonstrate my concern, which I have just raised, that opt-ins should not be allowed under any circumstances. On amendment 47, however, regarding the harmonisation of criminal offences and sanctions, my hon. Friends the Members for Esher and Walton, for Hertsmere and for Daventry are right. I am reluctant to adopt a default position, but for the purposes of debate I want to get out into the open something that concerns me, because the harmonisation of criminal offences and sanctions, on which I dare say books could be written, ought to be as restricted as possible.

Article 83(2) of TFEU, as I state in amendment 47,

"permits the establishment by directive of minimum rules with regard to the definition of criminal offences and sanctions in an area subject to harmonisation measures by the same ordinary or special legislative procedure as was followed for the adoption of the harmonisation measures in question."

In a nutshell, I should like that to be one of those measures—from the written statement to which the Minister has referred—that ought to be discussed properly.

Let us think about what the harmonisation of criminal offences and sanctions affects and what its consequences are for the people whom we are elected to represent. If I cannot win the vote on my desire to throw out the whole measure, my minimum default position, however cynical and unhappy I am about opt-ins anyway, is to attempt to include it in the arrangements that the Government have provided.

Those are my thoughts on this group of amendments and on my amendments. If I sound a little concerned about them, I hope that Members will understand. As my hon. Friend the Member for Esher and Walton said, I see the provision under discussion as an enormous step. I am not sure that it is beneficial, because it assumes that there will be opt-ins. There are 30 or 40 of them, and there have already been eight in the past few months. The trend exists, and I do not see anything holding back the tsunami. Indeed, I see the tsunami being built up, and that is not in the interests of the democratic principles by which this House is elected.

Charlie Elphicke (Dover) (Con): My hon. Friend the Member for Stone (Mr Cash) is much concerned about Members from all parts of the House being under the control of the Whips. For my part, I would like to say how much I agree with—

Nick de Bois: With the Whips.

Charlie Elphicke: With the Prime Minister. In particular, I agree with his speech on 4 November 2009, in which he said:

"We must be sure that the measures included in the Lisbon Treaty will not bring creeping control over our criminal justice system by EU judges. We will want to prevent EU judges gaining steadily greater control over our criminal justice system by negotiating an arrangement which would protect it. That will mean limiting the European Court of Justice's jurisdiction over criminal law to its pre-Lisbon level, and ensuring that only British authorities can initiate criminal investigations in Britain."

I would like to put on the record how much I agree with that position, and how much I agree with my hon. Friend the Member for Esher and Walton (Mr Raab). Why are we discussing further opt-ins in this Committee, when we should be considering how to recapture a sense of control and our national way of life in relation to the criminal justice system?

5.45 pm

I am particularly concerned that in evidence to the European Scrutiny Committee, the Minister said that there is a strict time limit of three months for our opt-in, and that that is what the protocol states. The written statement says:

"As currently, the Government will not override the scrutiny process unless an earlier opt-in decision is essential."

Presumably that relates to the three months. The statement goes on:

"Where the Government consider an early opt-in to be necessary, it will explain its reasons to Parliament through the statement set out above. In these circumstances, it would usually be appropriate for the statement to be made orally."—[*Official Report*, 20 January 2011; Vol. 521, c. 52WS.]

That suggests that the statement could be a written statement. I am concerned, as are my constituents, about further Europeanisation of border control under things like the Schengen agreement. Yes, that is subject to a referendum, but my constituents specifically do not

want to see further integration through Schengen and in the criminal justice system. I feel passionate about this matter.

I press the Minister to say in his response whether the three-month position is correct. I have taken the time to read the protocol. It is true that article 3 of the protocol states:

"The United Kingdom or Ireland may notify the President of the Council in writing, within three months after a proposal or initiative has been presented to the Council pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union, that it wishes to take part in the adoption and application".

However, I am troubled by one thing, which I hope the Minister will clarify. Article 4 states:

"The United Kingdom or Ireland may at any time after the adoption of a measure by the Council pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union notify its intention to the Council and to the Commission that it wishes to accept that measure."

I would like the Minister to clarify why there is such a crashing hurry on this matter, and whether there really has to be a crashing hurry. Is it because there has to be negotiation in Europe, or for some other reason?

I hope that the Government will give further consideration to tightening up the statement and to introducing measures on Report that would give further confidence that the House will have a say on these most sensitive of issues—the criminal justice system and the control of our borders. This is one of the most central concerns of my constituents. I hope that Ministers will ensure that we will have proper scrutiny of any such measures.

Mr Lidington: I am grateful to all hon. Members who have taken part in the debate, and in particular to my hon. Friends the Members for Daventry (Chris Heaton-Harris) and for Hertsmere (Mr Clappison) for their explanations of the contents of and the motives behind the amendments, and for their offer not to press them to the vote.

I say to the hon. Member for Birmingham, Edgbaston (Ms Stuart) that I will hold back my innate wish to be aggressive to the point of rudeness towards her, and that I am happy to find an occasion to discuss with her and interested Opposition Members the content of last Thursday's written ministerial statement and how we can take matters forward. It will be better for the reputation of the House, of governance in this country and of how we as a Government and a Parliament handle justice and home affairs coming from the EU if there is the maximum possible agreement across the political parties on a structure that we hope will then endure.

Before I move on to the amendments, I should like to respond briefly to some of the points that have been made that are more appropriate to a stand part debate. I turn first to the hon. Member for Caerphilly (Mr David). I will not go on at him incessantly about this, but I found it strange that in a debate on so many amendments, covering such a wide range of justice and home affairs issues, he focused almost entirely on the contents of the next group of amendments that we are due to debate and on the parliamentary lock that would be imposed on the number of advocates-general. I shall try to satisfy him on that point.

We have included in schedule 1 any move to change the basis of decision making under article 19(2) of the treaty on European union from unanimity to qualified majority voting, so that it would be caught by the referendum lock. That article guarantees that there will be one judge from each member state in both the general court and the Court of Justice of the European Union. It is important that we ensure that we continue to have a veto, so that we can insist that there is a UK judge there.

That is important not just for the national interest but for the reason given by my hon. Friend the Member for Esher and Walton (Mr Raab) and others this evening. Four EU member states have common-law jurisdictions, although our Scottish colleagues in the House might argue that the UK is by no means entirely a common-law jurisdiction. Those states are ourselves, Ireland, Cyprus and Malta. For that reason, it is important to have a suitable arrangement for taking decisions about the number of judges, and a requirement for each member state to nominate a judge, so that we can effectively protect the representation of those four jurisdictions in the highest judicial councils of the EU.

The hon. Member for Caerphilly will also find in article 19(2) a requirement for both judges and advocates-general to be

"persons whose independence is beyond doubt".

Again, that requirement deserves to be protected. I have no reason to believe that the other member states would vote to dilute it, but the importance of the article justifies the referendum lock.

In contrast, article 252 of the TFEU requires there to be eight advocates-general to advise the court. There is not the same idea that there should be one from each member state. The article states that unanimity is needed in order to increase the number of advocates-general beyond eight, and a change to that article would be required for a switch to qualified majority voting. However, I say to the hon. Gentleman that I believe the people whom we represent would find it slightly odd if we invited them to participate in a national referendum on whether to raise the number of advocates-general or on whether to change the method by which that decision is taken. That is the reason for the distinction that we draw in the Bill.

My hon. Friend the Member for Daventry asked about moves towards a common EU asylum system. The British Government strongly believe in the importance of practical co-operation on asylum policy within the EU. Equally, we do not judge that a common EU asylum policy is right for Britain. We believe that on many issues, EU member states have much to gain by working together, but we have made it clear that the emphasis of the EU's agenda on asylum should not always be on legislation, but on helping member states to improve the quality of their individual asylum systems. As I am sure my hon. Friend knows, the UK has not opted into the reception conditions directive, the qualifications directive or the asylum procedures directive.

My hon. Friend the Member for Stone (Mr Cash) asked about the European investigation order. My right hon. Friend the Home Secretary has set out very plainly on more than one occasion her reasons for recommending that the Government opt in to that measure.

Charlie Elphicke: May I just say how much I welcome the strong policy on asylum? Asylum has been a substantial problem in my constituency of Dover, with masses of would-be asylum seekers and economic migrants at Calais wanting to break into the country. Will the Minister tell the Committee more about how we will ensure our strength and independence on border security?

Mr Lidington: I do not want to be distracted from the subject matter of the debate—clause 9 and the amendments—so the best thing is for me to tell my hon. Friend that I will either write to him or ask my hon. Friend the Minister for Immigration to do so in response to the point that he raises.

May I summarise the Government's case in response to my hon. Friend the Member for Stone? There have been many criticisms of the current criminal mutual legal assistance system; it is said that it is fragmented, confusing and subject to delays. In some cases, it takes many months to obtain vital evidence, and when the UK has been the requesting state, that has had a detrimental effect on UK investigations and trials. The EIO seeks to address those problems by simplifying the MLA system among EU member states and introducing strict deadlines for the execution of requests.

It is true that had we not opted into the EIO, we would still have been able to operate MLA with other EU countries, but we would have been in a tiny minority of EU countries not using the EIO. Owing to that, and because deadlines would not apply to UK MLA requests, it is likely that those requests would be given a lower priority than those of other states, and that our prosecutors would have experienced longer delays. Given that 75% of the UK's MLA traffic is with other EU countries, the practical impact on UK cases would have been significant.

If my hon. Friend wishes to pursue the matter further, I suggest that he first looks at the letter which the Home Secretary wrote to the hon. Member for Nottingham East (Chris Leslie) on 3 August 2010, and which she has deposited in the Library. The letter details a number of specific cases in which the current arrangements were proven to be inadequate. In one case, evidence that was not returned prior to the conclusion of the trial may have led to the suspect being exonerated. Her judgment and the Government's judgment is that had we not opted in, it is likely that there would be more such cases.

Nick de Bois: My right hon. Friend is well aware of my long-term interest in matters pertaining to the European arrest warrant and the EIO. By that explanation, he has demonstrated the importance of, and the need for, the EAW and the EIO. I hope he will reassure us that the Bill gives the House the chance to debate and pass judgment such things, and to facilitate decisions on opting in or out.

Mr Lidington: My answer to that is on two fronts. The EAW is, of course, a pre-Lisbon, pillar three arrangement. It was not subject to post-Lisbon scrutiny, let alone to the detailed scrutiny and discussions with Committees and other representatives of Parliament that the Government are proposing. On the European investigation order, I can give comfort to my hon. Friend. It is the Government's view that the decision to opt in to the order is one of the matters that would not only have attracted significant parliamentary interest, but which would also have raised questions of political and legal importance that would fully justify a full debate in Government time. With that debate would obviously come the opportunity of a parliamentary vote.

6 pm

Mr David: I have some sympathy in policy terms with the Government on the issue of the European investigation order, but would it not have been possible to have had informal consultation with, let us say, the outgoing Chair of the European Scrutiny Committee, rather than having no consultation with Parliament at all?

Mr Lidington: I cannot recall without advice whether the Committee had just been appointed but had not met, or whether it had not yet been constituted, but the lesson that I draw from that episode—and the Government were far from happy with the fact that we had to take a decision at the end of the three-month period without a formal scrutiny process—is that we have, in the forthcoming discussions, to find a way to address the real difficulty that arises during a Dissolution of Parliament and the period after that before the scrutiny Committees are fully reconstituted. What the new Government found on coming into office was that the EU's legislative timetable on justice and home affairs had not stopped and there was an accumulation of measures, each with a non-extendable three-month timetable, at the end of which we had to decide whether to make the initial opt-in. A large chunk of that time had already been devoured by the period of Dissolution, and there were no scrutiny Committees in place to do the job that we would want and expect Parliament to do.

Mr Clappison: Can I take it from what my right hon. Friend has just said about the European investigation order that although it may be an issue that he would consider as of particular interest and therefore deserving a debate under the scrutiny process, it would not have been caught by clause 9 as it stands? He is therefore conceding that this is an extra stage of scrutiny that has been brought about by the diligent and commendable efforts of my hon. Friend the Member for Stone, who has done a service to the House in ensuring additional scrutiny.

Mr Lidington: My hon. Friend is right. I signed off a letter to my hon. Friend the Member for Stone (Mr Cash) earlier today responding to these points, which he put to me in writing, although I expect that he has not yet received it. We draw a distinction between the justice and home affairs matters on which it is already within the competence of the EU to act, but where the UK has an opt-in, and matters that are without the existing competence of the European Union. We have tried to maintain that distinction in each aspect of the Bill, and that is a point that has informed the Government's collective view on this legislation.

Mr Clappison: My right hon. Friend said "where the UK has an opt-in," but if I may correct him, I think that he meant where we have the right to opt in. There is a substantial body of such matters and, of course, in each case they would be subject to the jurisdiction of the ECJ, should we decide to opt in.

Mr Lidington: My hon. Friend is right to make that correction. He is also right when he refers to the importance of the jurisdiction of the ECJ as a relevant new feature

[Mr Lidington]

of any justice and home affairs measure that is brought forward subsequent to the Lisbon treaty. That is the thing that makes such a profound difference between third-pillar arrangements and the current treaty arrangements. That is why when Ministers—usually the Justice Secretary or Home Secretary—come to the European Affairs Committee of the Cabinet with a proposed decision on a justice and home affairs measure, they are required, as a standard part of Government policy, to produce an analysis of the likely impact of ECJ jurisdiction on our law if the United Kingdom participated in the measure, and also to assess the risks that this would lead to competence creep. My hon. Friend is right that that is an important consideration that we need to take into account when judging the balance of national interests that determines whether we choose to opt in to, or stay out of, a particular decision.

My hon. Friend the Member for Dover (Charlie Elphicke), along with a number of other hon. Members, asked why we needed to opt in at all, because if we have not gone through the whole scrutiny process, we should just leave it and opt out. The treaty gives us a three-month period within which we have to decide whether we want to make an initial opt-in. We can, if we choose, opt out at that stage, let the negotiations take place on the final version of the measure, and then opt in to the final text, as agreed by the others taking part. The problem with what he suggested is that it is not a reliable method of ensuring that our national interests are properly represented, for a number of reasons.

First, if we wait until the final stage, we have to ask the Commission if we may participate. The Council is then able to specify conditions under which United Kingdom can do so. If we judge that the balance of advantage points towards our opting in, there is a further advantage in getting in first. Secondly, if we participate on the first occasion on which we can opt in, we will then be at the table with a vote, helping to shape the final status of the text. We will not be in anything like as influential a position if we make a decision first to stay out. Thirdly, if we are not taking part, we have no vote on the final text. There are sometimes occasions—perhaps on a counter-terrorism measure—where we might decide that, on balance, it will be in our national interest to opt in, but where we dislike one particular element of the draft text. Perhaps we also know that two or three other key member states have similar reservations. In those circumstances, it is possible that the Government's decision would be to opt in by the end of the three-month period, with the aim of putting together an alliance with those other member states so as to secure through negotiation a final text that meets our interests and means that we are completely content with the outcome.

Mr Clappison: My right hon. Friend is being most courteous in giving way. On the question of where the national interest lies, I understand and accept the reasons why the Government, as a coalition, are having to go through the complicated process that he has described. However, in the Conservative manifesto it was conceived as being in the national interest that we should not opt in to any such matters, because we were clear that there should be no further extension of the EU's power over the UK and we promised to work to return key powers over legal rights, criminal justice, and social and employment legislation to the UK. However, we cannot have envisaged seeking to return those powers while at the same time handing over completely new powers to the European Union, by choosing to opt in. That was the national interest as we saw it, and it remains the national interest.

Mr Lidington: My hon. Friend puts his point trenchantly. I am not going to make any secret of the fact that the handling of European policy, and in particular on justice and home affairs, has been one of the most delicate issues for the coalition. There have had to be compromises on both sides to get the package of measures that we are including in the Bill and to shape the general policy that we are pursuing in respect of the European Union.

Mr Cash *rose—*

Mr Lidington: If my hon. Friend will forgive me, I would like to answer one hon. Friend before I give way to another one.

If my hon. Friend the Member for Hertsmere looks back to the debates on the Lisbon treaty, he will remember that he and I walked through the same Lobby, day after day, in opposition to that treaty. My recollection is that we had at least one day when we talked entirely about justice and home affairs matters. He knows the view that I took as a Front Bencher in a Conservative Opposition. I would much rather be either a member of or supporting a Conservative-Liberal Democrat coalition than spend another Parliament sitting fruitlessly in opposition, seeing measures being taken through the House to which I was vehemently opposed but which I was powerless to stop.

Mr Cash: My right hon. Friend is getting on to a very sensitive point, and I quite understand the sensitivities involved. When I wrote to my right hon. Friend the Prime Minister on 10 May last year about the coalition agreement, I specifically stated that, if there were to be a coalition—I had made it clear that I would have preferred a minority Government—it was essential that the Liberal Democrats should at least be required to abstain on matters relating to the European Union, for all the reasons that my hon. Friend the Member for Hertsmere (Mr Clappison) has just given. That is the problem, and we are now finding ourselves in an impossible dilemma. In fact, I would say that the situation is untenable.

Mr Lidington: I disagree with my hon. Friend's statement either that we face an impossible dilemma or that the situation is untenable. We have a situation in which two political parties with differences of perspective and tradition on a number of issues are finding a way in which to work together in the interests of the nation as a whole. I think that the coalition is providing stable government. It is new in recent British political experience, but I find that it is hugely welcomed by many people of all political persuasions and no strong political persuasion.

Mr David: When the Minister says "people of all political persuasions", he certainly should not include those on the Opposition Benches. I found his recent comment very interesting indeed. We understand how keen and enthusiastic he was to become a Minister, and this is the first time that he has revealed why he really,

really wanted to be one. Also, this is the first time that he—or any other Minister—has acknowledged that the Bill is basically a compromise. It is the result of negotiations between the Liberal Democrats and the Conservatives. It is important that that point is now firmly on record. This is the first time in this whole debate that it has been said. In the interests of transparency and openness, will he elaborate, so that we can find out the exact nature of the negotiating process that led to this rag-bag of a Bill?

Mr Lidington: It is a bit rich for the hon. Gentleman to intervene in that fashion. He and I know that, in regard to policy on Europe or on any other matter, Governments of a single party in recent history—Conservative and Labour—have had to compromise a great deal, given the different points of view in the broad churches that those parties represent.

Ms Gisela Stuart: They never compromised.

Mr Lidington: The hon. Lady says that the Labour Government never sought to compromise. That might explain their result at the last general election.

The answer to the hon. Member for Caerphilly is that there is a collective discussion, and it is a matter of public record that every decision about European policy is routed through the European Affairs Committee of the Cabinet. The membership of that Cabinet Committee is published: it comprises two thirds Conservative Ministers and one third Liberal Democrat Ministers. That is the balance of all the Cabinet Committees. There are discussions and exchanges of points of view, and there is an outcome to which everyone collectively is willing to sign up and support. That seems to be a sensible, constructive way in which to do the business of government.

Jacob Rees-Mogg: I thank the Minister for giving way once more. Would he be kind enough to clarify this point about the coalition? Can we take it that the Conservatives do not wish to opt in wherever an opt-in is available, so that whenever we do so, it is because we have been bullied into it by the Lib Dems?

Mr Lidington: No, I do not think that my hon. Friend should jump to that conclusion. In yesterday's debate, I cited some counter-terrorist measures such as the European initiatives on passenger name records or on the tracking of terrorist finance, and it is very much in the interests of the United Kingdom for us to take part in them. The US Government, who have a strong interest in these areas of policy, very much want a transatlantic agreement on such counter-measures and look to us to try to persuade other European Union member states to support a vigorous counter-terrorist policy and effective measures that will satisfy Washington as well as London.

6.15 pm

Let me move on to deal with the amendments, as I have been speaking for nearly half an hour and have not yet been able to get on to that territory. My hon. Friends the Members for Hertsmere and for Daventry tabled many of the amendments, and my hon. Friend the Member for Stone was responsible for much of the remainder. Let me respond to the different amendments briefly, which I hope will allow us to move on to the next group as well.

As we consider any potential future use of the JHA ratchet clauses, which in the context of clause 9 we have identified as articles 81(3), 82(2)(d) and 83(1) of TFEU, we are also clear that this legislation should ensure that any UK participation in such measures by virtue of our opt-in should be preceded by the approval of both Houses of Parliament, and that our agreement to the final measures proposed should be preceded by parliamentary approval through Act of Parliament. We think that this represents a significant step forward in enhancing the House's controls on those JHA ratchet clauses, while maintaining the same proportionate and sustainable approach that we have tried to adopt in all other parts of the Bill.

A number of amendments to this clause have been tabled, which are mainly designed to increase the level of parliamentary and, in some cases, public control. Amendments 14 and 27 would require the Government to secure the approval of each House before the UK could participate in any measure pursuant to the UK's opt-in under protocol 21 to title V of part 3 of TFEU. The two amendments have broadly the same scope, although I note that amendment 27, tabled by my hon. Friend the Member for Daventry, would not cover an opt-out decision relating to an extension of the powers of Eurojust to include the initiation of criminal investigations, which he has addressed in a separate amendment that I shall deal with later.

One of the Bill's key aims is to provide greater scrutiny and accountability over proposals to extend the competences of the EU or to broaden out the scope for EU action in accordance with existing EU competence, whether by future treaties or the use of ratchet clauses without the need for formal treaty change. However, measures proposed by the EU pursuant to its existing competences under title V, which do not relate to any proposed use of a ratchet clause, are not within the scope of the Bill's enhanced parliamentary controls. As set out on Second Reading, measures pursued by the EU pursuant to title V concern the exercise of competences already conferred on the EU by the member states under the current treaties, although in the case of the UK, we retain the freedom to decide, measure by measure, whether or not we participate.

The Government believe that European co-operation in justice and home affairs can deliver key benefits, helping us to tackle more effectively issues of cross-border crime and making it easier for British citizens to do business across borders. As I have said on other occasions, however, the coalition Government committed themselves in the coalition agreement to considering opt-in decisions on a case-by-case basis. We have put the United Kingdom's national interest at the heart of our decision-making and continue to do so, with a view to maximising United Kingdom security, protecting our civil liberties, preserving the integrity of our criminal justice system, and maintaining our ability to control immigration. Ministers take all those criteria into account when reaching a collective decision about a particular opt-in.

One way in which the Bill will increase public accountability is by providing that any proposed treaty change involving an end to the United Kingdom's freedom not to participate in justice and home affairs by removing the country's opt-in protocol would be subject to a referendum. All decisions under title V, the chapter in TFEU on justice and home affairs, are already subject to an enhanced level of parliamentary scrutiny.

Following reflections on the annual report to Parliament on the use of the justice and home affairs title V opt-in and Schengen opt-out decisions, I outlined in my written ministerial statement last Thursday the Government's proposals for further enhancements of such scrutiny arrangements. In view of the time, and because I set out the proposals in detail both in the written statement and in yesterday's debate—they can be found in columns 238 to 239 of *Hansard*—I do not propose to go into further detail today, although I repeat that I am more than willing to discuss the best way of proceeding with any Member on either side of the House. I do, however, wish to make a couple of points as a gloss on the policy that I announced in the statement.

First, let me repeat that the Government believe that, in future, measures such as the European investigation order should be dealt with by way of a parliamentary debate with the opportunity for a vote. Indeed, they would have been dealt with in that way had these arrangements applied earlier. We have made an explicit commitment to a parliamentary debate and vote on the decision on the mass opt-in or opt-out which must be determined by 2014, as set out in my written statement.

Henry Smith (Crawley) (Con): Would my right hon. Friend not consider including that in the Bill?

Mr Lidington: We are due to debate the measures later.

The Government will have three options. They can decide to opt in to all the measures en bloc, or they can decide to opt out of them en bloc. The judgment that Ministers will have to make—I emphasise that no decision has yet been made, and that we are nowhere near making one or making a recommendation—is that these are measures in which the United Kingdom freely decided that it wanted to participate, because it served our national interest to do so, during the "third pillar" process that existed before the Lisbon treaty.

The Government of the time—Labour or Conservative—decided that each measure was right and that it was in the British national interest to participate; but, of course, that decision was made on the basis that those were intergovernmental matters which did not fall within the jurisdiction of the European Court of Justice. That is a material difference. If we opt in to all these measures in 2014, we must accept that we are opting in to matters all of which will, from that point, be subject to ECJ jurisdiction.

Mr David: This is a very important point. One legal opinion says that if we reach that point in 2014 and the Government do not take a decision, Britain will have, in effect, opted in. Is that correct?

Mr Lidington: Yes, the default position is that we stay opted in. We have to take a decision one way or the other, and the Government are not going to hide in the corner and hope that nobody notices a decision to opt in. We are going to make a public announcement at the due time and have the debate in Parliament.

The third option for the Government would be to opt out of the measures en bloc and then seek to opt back in where we continue to believe that the balance of advantage to our national interest lies in participation. A complicated analysis is involved and we are talking about 90 such measures coming up for determination in or before 2014. As this is, again, a matter within existing competence, it is best dealt with through the enhanced scrutiny arrangements that I am proposing and it should certainly require a vote in the House. The Government have explicitly committed themselves to that and it will, of course, happen before the end of this Parliament in 2015.

The two amendments standing in the name of my hon. Friend the Member for Hertsmere and others tabled by my hon. Friend the Member for Daventry propose to subject all opt-in decisions to a requirement for an approval motion in both Houses, not simply those on which there is a significant level of parliamentary interest. Because of the practicalities of such a move on all opt-in decisions, that requirement would risk preventing the Government from being able to secure Parliament's approval in time to opt in to any new JHA proposal within the three-month time limit set down in article 3 of protocol 21 in order to enable us to participate in negotiations at EU level. That would have a knock-on effect on our ability to help shape the proposal effectively in negotiation, and sometimes that is of great importance. Our votes made it possible to clinch an agreement on the EU-US terrorist finance tracking measure that suited our national interest and ensured that the Americans were content too. That deal became available during a parliamentary recess, when it would not have been possible to go through the formal procedures that the amendments seek to apply to each and every opt-in. That is one reason why in the discussions about enhancing scrutiny we have to find a way to handle the real difficulties that can sometimes arise, both during recesses and in periods of and following parliamentary Dissolution.

May I say in passing to my hon. Friend the Member for Daventry that, although the detail will be the subject of discussions with the relevant Committees and business managers, the possibility of a parliamentary vote would apply to any opt-in decision under the proposals that I made in my written statement. Included in that would be measures following the adoption of a measure by other member states and decisions not to opt out of Schengen measures where there is strong parliamentary interest in the measure or where the measure is of the importance that I have indicated in my written statement. The process proposed in the amendments does not lend itself to timely decision making when a rapid decision needs to be taken. I have outlined the practical reasons why this approach would not be proportionate and I hope that my hon. Friends will therefore be prepared not to press their amendments to a Division.

Amendment 47 would require parliamentary approval before we could opt in to a measure brought forward under article 83(2) of TFEU, which allows for the establishment of minimum rules regarding the definition of criminal offences and sanctions if such approximation of member state criminal laws and regulations is judged to be essential to ensure effective implementation of policy areas in which the EU has already harmonised standards. For example, if the EU set rules about environmental protection and a criminal sanction proved essential to make those rules effective, the EU could consequently set a minimum standard for a criminal offence in that area.

I listened carefully to what my hon. Friend the Member for Stone said, but I do not believe that article 83(2) is a ratchet clause in the way that articles 81(3), 82(2)(d) or 81(1) are so considered. Article 83(2) makes provision for Europe to be able to act under its existing competence without the need to be able to expand EU action in the same way, for example, as article 83(1) provides for the ability to expand the list of areas of serious cross-border crime in which the EU can act. I do not therefore think that it should be subject to the enhanced level of parliamentary control set out in the Bill to which the ratchet clauses are to be subject, given the relative differences in effect.

6.30 pm

Amendments 28 and 29 would require the relevant Minister to make an oral statement to the House if he or she were to seek to join new elements of the Schengen acquis or not to opt out of a measure building on Schengen. As my written ministerial statement made clear, we intend that Schengen decisions, like JHA title V decisions, should be covered fully by the proposed enhanced scrutiny arrangements.

I hope that I have been able to respond to the concerns raised by hon. Members on both sides of the House. In the interests of moving on to the next group of amendments, I shall conclude my remarks.

Mr Clappison: As I said earlier, I do not intend to press the amendment to a vote. I want to make progress and for that reason, and the other reasons I have mentioned, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 33, page 8, line 16, at end add—

'(7) A Minister of the Crown may not give a notification under Article 10(5) of Protocol (No. 36) on Transitional Provisions annexed to TEU and TFEU that the United Kingdom wishes to participate in an act that has ceased to apply to it pursuant to Article 10(4) of that Protocol, where the AFSJ Protocol would apply to the procedure for dealing with the notification, unless a Minister of the Crown has given an oral statement to the Chamber of the House of Commons on Her Majesty's Government's intention to give the notification.'.—*(Chris Heaton-Harris.)*

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 82, page 8, line 16, at end add—

'(6A) A Minister of the Crown may not make a formal decision as to whether to exercise the right of the United Kingdom to make a notification to the Council under the terms of article 10(4) of the Protocol (No 36) on Transitional Provisions annexed to TEU and TFEU, unless—

(a) the decision is approved by Act of Parliament, and

(b) the referendum condition is met.

(6B) The referendum condition is that set out in section 3(2).'.

Amendment 83, page 8, line 16, at end add—

'(6C) A Minister of the Crown may not make a formal decision as to whether to exercise the right of the United Kingdom to make a notification to the Council under the terms of article 10(4) of the Protocol (No 36) on Transitional Provisions annexed to TEU and TFEU, unless the decision is approved by Act of Parliament.'.

Amendment 84, page 8, line 16, at end add—

'(6D) A Minister of the Crown may not give a notification under Article 10(5) of Protocol (No 36) on Transitional Provisions annexed to TEU and TFEU that the United Kingdom wishes to participate in an Act that has ceased to apply to it pursuant to Article 10(4) of that Protocol, unless the notification in respect of the Act has been approved by Act of Parliament.'.

Mr Jenkin: Amendments 82, 83 and 84 concern what the Minister set out in a statement last week, in which he described the arrangements for the Government to give formal notification of whether they wished the UK to opt out of certain justice and home affairs matters by 31 July 2014. He made it clear in the statement—I think this is welcome—that the Government intend to allow the House of Commons and the other place to table a formal resolution to approve or disapprove of the action the Government take in these matters.

While we are listening to this debate, it is worth reminding ourselves of the magnitude of what we are talking about: a complete rearrangement of the civil and criminal legal system of our country that will move the whole civil and criminal system on to an entirely new basis. I hear what my hon. Friend the Minister says about the number of advocates-general and about maintaining four judges in the European Court of Justice who represent common law jurisdictions, but that is a completely meaningless reassurance in the face of all the other judges and the history of the jurisprudence of the European Court of Justice, which simply is not interested in the common law basis of the jurisdictions of its member states.

Having fought against the Lisbon treaty in principle and most particularly on the basis of its potential to interfere in the criminal and civil law of this country, it is astonishing that the Government, since the election, have, for example, approved the directive establishing the European investigation order. Let us be clear: that allows another member state to oblige the United Kingdom to carry out almost any investigative action in the UK, including searching a house, intercepting telephone calls and obtaining DNA for the purpose of criminal proceedings in the requesting member state. The UK has supported the directive on the right to interpretation and translation of criminal proceedings, ceding jurisdiction in that area to the European Court of Justice. This all happened before the European Scrutiny Committee was sitting, so it was all unscrutinised by this House. Any weasel words from the Government about strengthening the scrutiny of the House of Commons should carry a health warning.

The Government have decided to opt in to the Council decision on the conclusion of an agreement between the European Union and Georgia on the readmission of persons residing without authorisation, which makes binding on the UK as a matter of European Community law an international agreement between the EU and Georgia and means that the UK cannot conclude its own readmission agreement with Georgia, should it wish to do so. I just point out that had any of those decisions been in an international treaty outside the European Union's jurisdiction, they would have required an Act of Parliament, but these things are done by the stroke of a Minister's pen under the powers in the European Communities Act 1972.

Mr Cash: I am sure that my hon. Friend will recall what the Minister said about the European Affairs Committee of the Cabinet, and the fact that we have two thirds Conservatives and one third Liberal Democrats. For practical purposes, there cannot be a vote; otherwise, if we were to comply with our manifesto commitments,

[Mr Cash]

we would win the vote every time. It must be, therefore, that the Government are willing to agree with the Liberal Democrats' proposals, which makes it even worse.

Mr Jenkin: I thought the exchanges between the two Front Benchers about the real nature of the coalition agreement were very revealing. We have all known about this from the minute that the coalition agreement was first mooted. That is why I was one of the newly elected Members who went to see the then Leader of the Opposition, just after the election, and said, "Do not do this; let us have another election in short order so that we can deliver our mandate and our promises to the British people." We knew that we were being bound into an arrangement that would mean having to swap our obligations to our electors—let us face it, handing criminal jurisdiction over to the European Union is not exactly a popular thing to do—for a mess of pottage: a compromise with the Liberal Democrats. The Deputy Prime Minister took great interest in these matters, particularly justice and home affairs, when he worked for the European Commission and I understand that he is personally extremely committed to the creation of a federalist criminal justice legal order as part of the state building of the European Union. We are now actively participating in that.

Martin Horwood: In the spirit of coalition, which the hon. Gentleman so obviously and positively espouses, does he accept that the Liberal Democrats have moved quite a long way in accepting this Bill at all and that many of the strictures it puts on the progress of proper government at European level are things that do not come particularly naturally to Liberal Democrat Members?

Mr Jenkin: I am perfectly prepared to accept that some Liberal Democrats have compromised considerably on the Bill.

What does the Bill add up to? The problem is that it does not change anything. It does not change the relationship between the European Union and the United Kingdom one comma or dot. It is about the arrangements between the British Government and the British Parliament. We all know that it is designed to give the impression that this and future Governments will somehow be locked down by the referendum lock and will be obliged to have referendums as never before. It is certainly useful to create that expectation because the disappointment when no referendum occurs will then be much deeper, but what does the Bill actually mean?

Clauses 2 to 7 make a lot of legal arrangements to ensure that decisions taken by the Government are approved by referendum or Act of Parliament. There are certain exclusions that we have already argued about, such as whether the treaty on fiscal union will somehow be exempted from referendum even though it is probably one of the most significant European treaties we will see in our lifetimes. That is the state of the Bill, which has some remarkable tripwires—so many that the Opposition spokesman has been saying, "This is getting too particular and detailed; we will have to have Acts of Parliament and referendums on all kinds of things that are patently ridiculous." That is why I think that future Governments will wriggle out of the obligations without much difficulty.

My amendments concern the opting-out proposals. In order to make the Lisbon treaty, which establishes the European Union's authority over criminal and civil law, more palatable, there was an arrangement that the United Kingdom could opt out at a later date. One would have thought that a party and a Government who were elected on a platform to repatriate powers from the EU, and who fought against the Lisbon treaty on the principle that the European Union should not have jurisdiction over our criminal law, would be keen to ensure that any coalition agreement reflected that policy, particularly as they have talked about a sovereignty clause, a referendum lock and so on.

We know that there will probably never be a new treaty amendment that meets the test that triggers a referendum. Indeed, the Minister made it clear that he has no intention of letting a Bill through the House that would trigger such a referendum during the lifetime of this Parliament. The Lisbon treaty has made the EU self-amending. The Liberal Democrat MEP, Andrew Duff, who is chair of the Federal Trust, said on the BBC World Service: "The treaty of Lisbon is in force and it won't be unpicked by the British. It can't be. It is the statute which will probably govern the Union for some time." As I said in the debate on Monday,

> "The problem is that this is not the 'thus far and no further' Bill; it is the 'locking the stable door after the horse has bolted' Bill.—[*Official Report*, 24 January 2011; Vol. 522, c. 116.]

We do not know whether the next five years will see any changes to the EU treaties—I suspect they will—but there is one area in which the Government will have to make a very significant decision: whether to give more powers to Brussels or to bring them back to Britain. I remind the Committee that were the measure outside the jurisdiction of the European Communities Act, there would be no question but that there would be hundreds of pages of Acts of Parliament to implement this stuff, instead of its automatic inclusion in our law and implementation. It is fundamentally undemocratic to reorganise our constitution by the stroke of a Minister's pen in this way.

In crime and policing, EU measures which were passed under the pre-Lisbon third pillar arrangements are in this transitional period. Under the Lisbon treaty, there is a period in which we can opt out en bloc, as the Minister said. These measures include the European arrest warrant and the recognition of the trial of UK citizens in EU countries held in absentia. I have in my passport something about the protection of UK citizens, and here we are, handing over the possibility that UK citizens can be tried in other European jurisdictions without even being there. That is something that we do not do in our own jurisdiction.

The creation of the European public prosecutor will happen under the arrangement. The Government will have a straight choice between expanding the jurisdiction of the European Court of Justice over the British justice system, or opting out of the measure. It is a rare opportunity that we have in the treaty to repatriate power. One would have thought that we would want to do it, but the Bill as it stands does not include any control whatever over that decision. All we have is a personal assurance from the Minister that he will bring it to the House for a decision. That is welcome, but it not the kind of democratic control that is needed.

The Government have just announced the revision of control orders, which will require legislation. That is subject to democratic control. Imagine if the control orders decision was announced by the Government and required no legislation. That is what we are being offered in the Bill.

Mr David: The hon. Gentleman is making a logical, coherent argument. The Government's position on the Bill, as I was led to believe, was that if there were a significant move towards powers being transferred from the UK to the European Union, there should be a referendum. We have referred to a number of cases when there would be small changes, on which there might be a referendum, but he is talking about a very significant change. Does he not think there should be a referendum on that?

Mr Jenkin: The hon. Gentleman is right. The Bill is completely inconsistent. Relatively tiny matters covered by the Bill and caught by its provisions will have to come to Parliament and may even have to be the subject of a referendum. But this incredibly significant change to our legal system that is taking place now is exempted from the Bill. It is totally illogical. If there is anything that makes a complete nonsense of the Bill, it is this total exclusion of the 2014 decision.

Mr Clappison: My hon. Friend is making an excellent speech and some telling points. Does he agree that the EU is being honest about what it wants to do? It wants, en bloc, to create an area of freedom, security and justice, and to have EU authority over that whole bloc. It is not a question of our Government looking judiciously at the odd measure here or there and whether things will be made better or not. We are confronted with an attempt by the EU to carve out jurisdiction across the piece in the area of freedom, security and justice. That is its stated ambition.

6.45 pm

Mr Jenkin: My hon. Friend is absolutely right. We are going into this with our eyes wide open, except that this Bill has its eyes wide shut. The Bill pretends that there is no decision to be made between now and 2014 about this momentous change to our criminal justice system and the way the law is conducted in this country—to the protection that Parliament can currently afford to UK citizens but is now already being eroded.

So I have tabled a series of amendments. There are some choices for the Minister, and I would be interested to know which he prefers. Amendment 82 would mean that the Government have to gain the approval of a referendum before they decide that the UK should not opt out of these laws. Amendment 83 would require the approval of at least an Act of Parliament for the Government to do so. Amendment 84 is quite modest; it would require an Act of Parliament before the Government could opt back in to any of the laws that had ceased to apply following the 2014 opt-out decision.

This is a question of more or less power being transferred to the EU, which would fundamentally alter our criminal justice system, but it is being left entirely up to Ministers.

Mr Cash: In the light of my hon. Friend's intelligent observations, does he also agree that the process of Europeanisation, not merely by default, but by activism, despite our manifesto and despite the common sense and the wishes of the people at large, who vote for us by the way, will mean that we increasingly hand ourselves over to an entity, a European Union, not Europe, which is manifestly failing on all fronts, with protest, riots, the whole place imploding—Greece, Spain, Portugal, Italy and Ireland? The whole situation is moving entirely in the wrong direction. That is the big landscape, and that is where the Bill fails.

Mr Jenkin: I fully agree with my hon. Friend, but I will try to avoid being drawn into that. The great skill in Committee debates is to avoid making the same speech over and over again. However, I will be guilty of repeating something that I have said before, which is that the EU is made up of democracies, but it is not itself a democracy. It is anything but a democracy; it is a bureaucracy. It has some institutions that purport to be democratic, but they have only the most tenuous link with the real aspirations of the peoples they seek to serve. The unaccountability of the most powerful institutions of the EU, namely the Commission and the European Court of Justice, is legendary. They spend money like water and they have yet to have their accounts formally approved by the Court of Auditors for the last 14 years. That is how unaccountable the institutions are to which we are handing over the jurisdiction of our criminal law.

That is why I am mystified by the Government's complacency, except, as the Minister has now admitted, for that fact that we traded away our principles for power. Moreover, we did that not just in the national interest for a short period, but for five years. I am pretty certain that before five years have passed this country will be crying out for a general election. When a country finishes up with a Government who have no mandate, except an agreement that was invented between two political parties, we are in a dangerous situation. It was not for nothing that Benjamin Disraeli said that England does not love coalitions; if a party is an organised hypocrisy, I dread to think what the correct term for a coalition should be, except as an expedient in an emergency.

Ms Gisela Stuart: The hon. Gentleman makes a powerful speech and his amendments are sensible. If his colleagues on the Conservative Front Bench do not accept any of them, will it be his view that that will have been entirely due to power brokering with the Lib Dems, or might it just be a frolic of their own?

Mr Jenkin: I am not sure how to answer that question. If the hon. Lady does not mind, I will continue my remarks, because I intend to sit down shortly so that other Members can take part. All I will say is that those decisions should be reserved not only for Parliament, but for an Act of Parliament. They are of such significance that I would prefer the Government to accept amendment 82 so that a decision on those matters is made by referendum.

I remind the Minister that we originally stood on a manifesto commitment to have a referendum on the Lisbon treaty. Indeed, the Liberal Democrats, with whom we sit in coalition, wanted a referendum on the EU as well. Given that common ground, I cannot for the life of me understand why we should not have a referendum on at least this aspect of the Lisbon treaty. If the Liberal Democrats want to call it an "in or out" referendum,

[Mr Jenkin]

they may do so, but the question on the ballot paper should simply be: "Do you want the criminal justice system of this country to be controlled by the European Union?" I know what the answer would be. If the Government were to hold that referendum, I think that they would be very popular. In fact, it might even make the coalition popular. I recommend it to the Minister.

A few moments ago I checked to see whether there is a copy of the document that I am holding on the Table. There are all sorts of things on the Table, including "Vacher's", the Standing Orders, "Erskine May" and documents relating to the proceedings of the House. There is the guide to standards of conduct in public life and all sorts of things that direct the behaviour and conduct of Members and what we do in the House. However, this document is not there. It, of course, is "Consolidated Texts of the EU Treaties as Amended by the Treaty of Lisbon", as published by the Government. I have to say that the index is a little thin, which makes it difficult to find one's way through it. This is the document that now governs this country. Unless we change our relationship with the EU, this will be the constitution of the United Kingdom, as we have no written constitution of our own. These are the laws by which we are governed, but it is not even on the Table. That underlines how this House, 20 years after we signed the Maastricht treaty, which began to establish European governance, is still sleepwalking into a European federation.

There are those who wishfully believe that the argument has somehow been won by the Eurosceptics. It is an argument that they do not want to have. They want to avoid it because in order to resolve the democratic government of this country, we will have to confront the EU. There will have to be a disagreement with our European partners, because there is so much pride invested in the document, and other member states have so much pride in having drawn the United Kingdom into those arrangements. They will have to be confronted with the humiliation that they were wrong. As the euro collapses around our ears and the peoples of Europe rise up in the streets of their capitals, there could be no better time to do that; and there could be no better time to do it than when the EU itself is asking for new powers and asking us to agree to things for which they need our consent. That is the time we should be asking for our powers and our governance back on a mutually agreed basis. It is lamentable that the Government have not even the willpower to ask for those things.

Mr Lidington: The decision on whether to exercise the bloc opt-out is important and sensitive for the United Kingdom. On that point at least, I agree with my hon. Friend the Member for Harwich and North Essex (Mr Jenkin). Its implications for the whole range of complex, technical and often interrelated measures will need to be carefully considered, and they ought to be carefully considered by Government and Parliament. I agree completely that Parliament should give its view on a decision of such national importance. That is why the Government have committed publicly to having a vote in both Houses before making a formal decision on whether we wish to opt in or out.

As outlined in my written statement on 20 January, we will

"conduct further consultations on the arrangements for this vote, in particular with the European Scrutiny Committees, and the Commons and Lords Home Affairs and Justice Select Committees".—[*Official Report*, 20 January 2011; Vol. 521, c. 51WS.]

The 2014 decision, however, concerns measures that the UK agreed pre-Lisbon, and in most cases they have already been transposed into United Kingdom law and implemented.

I shall respond briefly to a couple of points that my hon. Friend has raised. Civil justice measures are already subject to European Court of Justice jurisdiction—and were so prior to the Lisbon treaty. The measures falling within the scope of the 2014 decision on criminal justice were not subject to section 2(2) of the European Communities Act 1972 before the Lisbon treaty; the majority of those items of legislation, which are in force in this country, required their own separate Acts of Parliament in order to be implemented, including the Extradition Act 2003, which implemented the European arrest warrant, and about which hon. Members on both sides of the House have many concerns.

If the UK were to decide to remain in the pillar three measures, no new transfer of power or competence would therefore be associated with that decision: it would be neither a treaty change nor a ratchet clause. The decision for 2014 is therefore different in kind from the decisions that we propose, in the Bill, to subject to either a referendum or a primary legislative lock.

Until the Government have decided what to propose on the bloc opt-out, it is difficult to reach any decisions about what to do on subsequent opt-ins, but such decisions seem to have similarities with the decisions on post-adoption opt-ins to new pieces of JHA legislation, with the important difference that this country will already have participated in the measures in question.

The Government will pay all proper attention to the need for parliamentary scrutiny of any such opt-in decision, should that prove to be necessary and should the Government wish to opt back into selected measures; but, just as the arrangements for enhanced parliamentary scrutiny of current JHA opt-ins are a matter to be agreed outside the confines of the Bill, so too are decisions on the parliamentary scrutiny of those other decisions.

In light of the Government's commitments to more powerful and enhanced parliamentary scrutiny, and because of the nature of the decisions that we will face by 2014, we do not think that the matters in question should be covered by the Bill. I therefore urge my hon. Friends not to press their amendments to the vote.

Chris Heaton-Harris: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment proposed: 82, page 8, line 16, at end add—

'(6A) A Minister of the Crown may not make a formal decision as to whether to exercise the right of the United Kingdom to make a notification to the Council under the terms of article 10(4) of the Protocol (No 36) on Transitional Provisions annexed to TEU and TFEU, unless—

(a) the decision is approved by Act of Parliament, and

(b) the referendum condition is met.

(6B) The referendum condition is that set out in section 3(2).'.—*(Mr Jenkin.)*

Question put, That the amendment be made.

The Committee divided: Ayes 26, Noes 313.

Division No. 183] **[6.58 pm**

AYES

Baron, Mr John
Bone, Mr Peter
Carswell, Mr Douglas
Clappison, Mr James
Corbyn, Jeremy
Cryer, John
Davidson, Mr Ian
Davies, Philip
Dodds, rh Mr Nigel
Henderson, Gordon
Hoey, Kate
Hollobone, Mr Philip
Hopkins, Kelvin
Howarth, rh Mr George
Lewis, Dr Julian
Main, Mrs Anne
McDonnell, John
Nuttall, Mr David
Reckless, Mark
Shannon, Jim
Shepherd, Mr Richard
Skinner, Mr Dennis
Turner, Mr Andrew
Whittingdale, Mr John
Wilson, Sammy
Wood, Mike

Tellers for the Ayes:
Mr William Cash and
Mr Bernard Jenkin

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mr Mark
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kennedy, rh Mr Charles
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, Mr Elfyn
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lucas, Caroline
Luff, Peter
Lumley, Karen
Macleod, Mary
MacNeil, Mr Angus Brendan
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan

Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Weir, Mr Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wishart, Pete
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Norman Lamb and Jeremy Wright

Question accordingly negatived.

7.13 pm

Proceedings interrupted (Programme Order, 7 December).

The Chair put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Clauses 9 and 10 ordered to stand part of the Bill.

Clause 14

CONSEQUENTIAL AMENDMENTS AND REPEALS RELATING TO PART 1

Amendment made: 59, page 10, line 12, leave out from 'treaty' to end of line 15 and insert

'that is subject to a requirement imposed by Part 1 of the European Union Act 2011 (restrictions on treaties and decisions relating to EU)'.—*(Mr Lidington.)*

Clause 14, as amended, ordered to stand part of the Bill.

The occupant of the Chair left the Chair (Programme Order, 7 December).

The Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Thomas Docherty (Dunfermline and West Fife) (Lab): On a point of order, Mr. Speaker. You will recall that at lunchtime the Prime Minister informed the House that the Member for Belfast West (Mr Adams) had resigned his seat. After checking my copy of "Erskine May", I have discovered that it states on page 57 that

"a Member...cannot relinquish his seat"

and must therefore accept

"office under the Crown, which legally vacates his seat and obliges the House to order a new writ."

It continues:

"These offices are...purely nominal and are ordinarily given by the Chancellor of the Exchequer to any Member who applies for them."

It is my understanding from press releases by Mr Adams that he neither applied for nor has accepted either of those two offices of the Crown. Can you confirm therefore that no such resignation is in order and that the Prime Minister has—inadvertently, I am sure—misled the House?

Mr Speaker: I am grateful to the hon. Gentleman for giving me advance notice of his point of order.

I can inform the House that I have received formal notification from the Chancellor of the Exchequer that Gerard Adams has been appointed to be steward and bailiff of the Manor of Northstead. Under the terms of section 4 of the House of Commons Disqualification Act 1975, for the purposes of the provisions of this Act relating to the vacation of the seat of a Member of the House of Commons who becomes disqualified by that Act from membership of that House, the office of steward or bailiff of Her Majesty's three Chiltern Hundreds of Stoke, Desborough and Burnham, or of the Manor of Northstead, shall be treated as included among the offices described in part III of schedule 1 to the Act.

The hon. Member for Belfast West is therefore disqualified from membership of the House by virtue of section 1 of that Act. The hon. Member for Dunfermline and West Fife, in referring to pages 57 and 58 of "Erskine May", causes me to comment on the matter to which he referred. "Erskine May" describes the course of events in cases in the past, but as I have ruled, the law is clear. Appointment to one of the two offices to which I have referred, under section 4 of the Act, results in disqualification. With reference to the observation that the hon. Gentleman made about the comments of the Prime Minister, I am sure that the Prime Minister would never intentionally mislead the House, but the point has been heard on the Treasury Bench and perhaps the Leader of the House will wish to reply.

The Leader of the House of Commons (Sir George Young): May I reiterate what you have just said, Mr Speaker? Of course my right hon. Friend the Prime Minister would never intentionally mislead the House. The House will be aware that the only way to enact a resignation is to appoint the person to one of the relevant positions. The Prime Minister was aware of the process to appoint Gerry Adams to be steward and bailiff of the Manor of Northstead. It might have been better for my right hon. Friend to have said "is being appointed" instead of "has accepted", and I am happy to make that clarification for the record.

Mr Speaker: I am extremely grateful to the Leader of the House.

Mr Nigel Dodds (Belfast North) (DUP): Further to that point of order, Mr Speaker. No doubt the fact that Gerry Adams has now departed this place will be

greatly welcomed, given that he will no longer be able to claim the large amounts of money that the Government said he would not be allowed to claim, but that he nevertheless went on claiming as a result of being in office here.

A Treasury statement today says that the Chancellor of the Exchequer has taken the public statement by Gerry Adams that he is resigning from Parliament as a request to be appointed as steward and bailiff of the Manor of Northstead and granted him that office. As a result, there arises a question about in what circumstances the Chancellor may take a statement or other indication of resignation as an excuse or reason to make such an appointment—*[Interruption.]* These are serious matters, because the normal procedures have not been followed, in that Mr Adams did not apply in the normal way and did not accept in the normal way. Can you, Mr Speaker, investigate the role of the Northern Ireland Office and other agencies in this matter?

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order. The Chancellor of the Exchequer has exercised his responsibilities, and I do not think that it is either necessary or seemly to dilate upon how he has done so. He has done so in an entirely orderly way. I would simply say to the right hon. Gentleman that I think that the House will want to rest content with the thrust of what has been said to it. It is not necessary to get ahead of ourselves and engage in hypothetical scenarios. We do not need to do that. However, I have listened to the right hon. Gentleman with the care and respect with which I always listen to him.

Thomas Docherty: Further to that point of order, Mr Speaker. On the specific issue of whether Mr Adams has accepted an office of the Crown, can you confirm that this is the case? As of late this afternoon, Mr Adams was still claiming that he had not accepted the office, which was so graciously offered to him by the Chancellor of the Exchequer.

Mr Speaker: I have ruled on the matter. The appointment has been made; the disqualification is a fact. Beyond that, I do not think that I can realistically or reasonably be expected to elaborate.

Hilary Benn (Leeds Central) (Lab): Further to that point of order, Mr Speaker. There is quite an important issue here about the nature of an application, because if, for the sake of argument, a Member were to express the view that they might feel like resigning from the House, the Chancellor might then appoint them and they would find themselves disqualified. Surely there must be a clear procedure for making it transparent that the Member in question has applied for the Chiltern Hundreds. The question that is being asked—a question to which the House would like an answer—is: was an application made in this case specifically for the Chiltern Hundreds which then led the Chancellor of the Exchequer to make the appointment, and was it accepted?

Mr Speaker: I am grateful to the shadow Leader of the House for his point of order, but the matter to which he has just referred—whether an application for the Chiltern Hundreds has been made—is, I am afraid, not a matter for me. The matter has been addressed by the Chancellor of the Exchequer in the execution of his responsibilities, and this is one of those occasions on which it is right for me to communicate the facts of the situation, but not to wallow in the realms of metaphysical abstraction, if I can put it that way.

Sammy Wilson (East Antrim) (DUP): Further to that point of order, Mr Speaker. "Erskine May" makes it quite clear that someone should apply for an office under the Crown. Should I, as the Member for East Antrim, in a fit of despair when I see who will replace Gerry Adams, express publicly the view that I wished that I was not a Member of a House that contained such a person, would the Chancellor take that as an indication that I should no longer be a Member of this House and therefore appoint me to an office of the Crown? That seems to be the implication of the ruling that you have made.

Mr Speaker: Once again—I fear that I am being repetitive, but it is necessary for me to be so—let me say that I have made the factual and legal position clear. The hon. Gentleman has raised a point of order, and it seems to me that the matter that he has raised—a matter relating to what could or could not now ensue—is essentially a hypothetical matter upon which it is neither necessary nor possible for a ruling to be made this evening. I believe that the position is clear: the disqualification has happened. If there are Members who are dissatisfied with the procedure—a very senior Member and others have indicated some level of dissatisfaction—it is perfectly open to them further to pursue the matter through other quarters, on other occasions, but I do not think that there is profit in dwelling further on them this evening.

Mr David Winnick (Walsall North) (Lab): Further to that point of order, Mr Speaker. Much has been said in the past 12 months and more about modernising the House of Commons. You made great reference to this yourself in your campaign speech. I hope that this will not seem too revolutionary, but would it not be appropriate for the Procedure Committee to look into these matters? Why should it be necessary, in the 21st century, to apply for an office of profit under the Crown? Why should not it be possible for an hon. Member to resign his seat? I suggest that there is a case for this matter to be looked at. People watching this might consider it rather farcical.

Mr Speaker: I note what the hon. Gentleman has said, and I hope that he will understand that I respect what he has said, but that it is not for me to speculate from the Chair on what the future position might be. It is absolutely open to the hon. Gentleman and to any other hon. Member to request that the Procedure Committee study this issue and make recommendations. I am not in any sense dying in the ditch as a matter of principle in favour of the status quo; nor am I arguing for a change to it. I am exercising my rather limited responsibility to report to the House what has happened and the facts of the situation. I hope that that is helpful.

Mr Winnick *rose*—

Mr Speaker: I am grateful to the hon. Gentleman, who is indicating that he wishes further to pursue the matter; I respect that.

Mr Winnick: I shall write to the Procedure Committee.

Mr Speaker: I note what the hon. Gentleman has said from a sedentary position.

Sammy Wilson: Further to that point of order, Mr Speaker. You are absolutely correct to say that, whatever the future might be, things could be different. Can you confirm to the House now, given the shabby way in which this has been handled in order to avoid the embarrassment of Sinn Fein, that it is now no longer necessary for a Member to apply for an office under the Crown if they wish to resign?

Mr Speaker: The short answer is no, I am not confirming that at all. What I have done, and what I am doing again, is reporting the facts of the situation and the appointment that has been made by the Chancellor of the Exchequer, of which I was, perfectly courteously, notified.

Mr Peter Bone (Wellingborough) (Con): Further to that point of order, Mr Speaker. It appears that a major constitutional change is taking place, and I feel sure that the House would welcome a statement tomorrow from a Minister, so that we can question them about this matter.

Mr Speaker: I note the point of order. It will have been heard by those on the Treasury Bench and it is a matter for any Minister to make a statement if he or she so wishes.

Mr Richard Bacon (South Norfolk) (Con): Further to that point of order, Mr Speaker. The House will have heard with respect everything that you have said, and will have been interested to hear your view that you are neither defending the status quo nor advocating a change from it. I know that people, including my hon. Friend the Member for Wellingborough (Mr Bone), will say that a constitutional change has occurred to the point at which people will roll their eyes and smile, but this is a very serious matter. The eminent father of the shadow Leader of the House, the right hon. Member for Leeds Central (Hilary Benn), used to say that people thought procedure was boring but that it is not; it is our safeguard. If what appears to have happened today is confirmed as an acceptable way forward, that would mean that the Chancellor of the Exchequer could decide whether someone should be a Member of Parliament or not, without their say-so. That is not acceptable.

Mr Speaker: I do not think that I should make any further comment beyond what I have said about the appointment that has been made, the communication of it by the Chancellor of the Exchequer to me, and my communication of the reality of the matters to the House of Commons. The hon. Gentleman is as articulate a spokesman for his point of view as can be found, and he has given further evidence of that this evening. We are grateful to him for that, and he might even wish to join in making representations to the Procedure Committee. That is a matter for him. I really do feel that these matters have been exhausted this evening—[HON. MEMBERS: "Hear, hear."] I am grateful for that sedentary assent to that proposition.

Speaker's Committee for the Independent Parliamentary Standards Authority

7.29 pm

The Leader of the House of Commons (Sir George Young): I beg to move,

That the following appointments be made to the Speaker's Committee for the Independent Parliamentary Standards Authority in pursuance of Schedule 3 to the Parliamentary Standards Act 2009, as amended—

(1) Hilary Benn in place of Ms Rosie Winterton, until the end of the present Parliament, in accordance with paragraph 1(d) of the Schedule; and

(2) as lay members of the Committee, in accordance with paragraph 1(e) of the Schedule—

(a) Dame Janet Gaymer DBE QC (Hon.), for a period of five years;

(b) Elizabeth McMeikan, for a period of four years; and

(c) Sir Anthony Holland, for a period of three years.

I hope that we can now move into calmer waters, Mr Speaker, though as the motion affects the Independent Parliamentary Standards Authority, that might be a forlorn hope. It seeks the appointment of members to the Speaker's Committee for IPSA. I move this motion to facilitate the decision of the House.

The Speaker's Committee for IPSA is a statutory Committee, set up under the Parliamentary Standards Act 2009, and its role and membership are determined by that statute. It has two key responsibilities: to consider the candidates proposed by the Speaker, following fair and open competition for the posts of Chair and members of IPSA, and to approve IPSA's annual estimate of resources.

The current membership of the Speaker's Committee includes Mr Speaker, the Chair of the Standards and Privileges Committee and myself—by virtue of our offices. It currently has five other members who were appointed by the House in June 2010. To this membership, we must now add three lay members. I will deal substantively with the issue of the addition of lay members in a moment, but let me first briefly outline paragraph (1) of the motion. This was added, at the request of the Opposition, to remove the right hon. Member for Doncaster Central (Ms Winterton) and add the shadow Leader of the House in her place. This is a matter for the Labour party, and I am happy to facilitate it.

As a member of SCIPSA, I would like to thank the right hon. Member for Doncaster Central for her work on the Committee, helping us through some challenging meetings at the beginning, and I look forward to welcoming the right hon. Member for Leeds Central (Hilary Benn), should the House agree this motion. I know that he, too, will add great value to our proceedings.

The Committee on Standards in Public Life recommended the addition of lay members to the Speaker's Committee in its report of November 2009, and this was enshrined in statute through the Constitutional Reform and Governance Act 2010. As a former Chairman of the Members Estimate Audit Committee, I can speak first hand on how useful I have found it to have external members on Committees that focus on the workings of the House. The House will also remember that it has only recently approved the addition of lay members to the Committee on Standards and Privileges.

The Committee on Standards in Public Life set out its reasoning behind the addition of lay members, specifically reflecting the growing practice in self-regulatory bodies such as the General Medical Council and the General Council of the Bar, which have accepted lay membership as a way not only of mitigating charges of being "parti pris", but of widening their horizon, increasing their experience base and strengthening their legitimacy with the public. There is no reason why similar principles should not apply to the Speaker's Committee.

These appointments are made by resolution of the House. The statute requires that the motion is tabled with the agreement of the Speaker; I can confirm that Mr Speaker has signified his consent.

Mr David Winnick (Walsall North) (Lab): My question is no reflection on the three distinguished people involved. Fortunately, after many years, we have managed to reach a position where hon. Members have to declare all their outside interests—something for which I have fought for many years. Once appointed, will members of the Speaker's Committee also have to declare their outside interests—or, rather, their total income? Again, I emphasise that this is no reflection on the people involved.

Sir George Young: I think the answer is yes and no—yes to the outside interests, but no to the declaration of income.

As recommended by the Committee on Standards in Public Life, these lay members will have full voting rights on the Committee. The competition required by the statute was conducted at the Speaker's request by a board chaired by the Clerk Assistant, Robert Rogers. Following a tender exercise in July last year, a specialist recruitment agency with experience in the successful management of high-level public appointments, Saxton Bampfylde, was employed to support the process.

Members will wish to know that there was a very high level of interest in these posts. A total of 166 applications were received; a longlist of well-qualified candidates was considered by the board. Seventeen candidates who were selected by the board from the longlist received a preliminary interview by Saxton Bampfylde. Following report of these conversations, eight candidates were selected for interview by the board. After these final interviews, the Speaker met four candidates recommended by the board, from whom he selected the three individuals whose names appear on the Order Paper.

Dame Janet Gaymer has recently retired from service as the Commissioner for Public Appointments in England and Wales, and as a civil service commissioner. She was previously senior partner at the law firm, Simmons & Simmons. Elizabeth McMeikan has also served as a civil service commissioner, and is a member of the State Honours Committee. Before taking on these roles, she was the human resources and change management director on the stores board of Tesco Stores plc. Finally, Sir Anthony Holland, a former chairman of the Law Society has held a number of public appointments, including as chair of the Northern Ireland Parades Commission and chair of the Standards Board for England. He currently holds an appointment in the office of the complaints commissioner of the Financial Services Authority.

Helen Goodman (Bishop Auckland) (Lab): The Leader of the House has described the people who are being proposed for lay membership. They are clearly eminent and successful, but I ask the right hon. Gentleman to consider for a moment whether they are representative. I think that many Members of Parliament are becoming increasingly tired of hearing people whose incomes are clearly way above those of Members opine on what is appropriate in relation to Members' standards of living. I wonder whether any trade unionists were considered for these posts.

Sir George Young: The members of SCIPSA's board do not undertake the function to which the hon. Lady has referred. They do not decide the remuneration of Members of Parliament or, indeed, their allowances. However, the hon. Lady has raised a serious issue about how a diversity of applications was secured. During the tender exercise, applicant companies were asked to prove a commitment to diversity as one of the criteria that would be considered in the assessment of their suitability for appointment. It may also reassure the hon. Lady to know that lay members will make a determined effort to gain an insight into the work of Members of Parliament and the challenges that confront us by observing the way in which Members work in their constituencies and, indeed, in the House.

Martin Horwood (Cheltenham) (LD): I am grateful to the right hon. Gentleman for his statement, but there is a little bit of concern about the nature of the people who have been recruited. Do any of them, as far as he is aware, have any knowledge or experience of the workings of Parliament?

Sir George Young: SCIPSA contains a large number of Members of Parliament, including myself and, if the House approves the motion, the shadow Leader of the House and four or five other colleagues. Input from Members of Parliament already exists on the board, and we would not expect it to come from the lay members.

Although the Act provides for a maximum appointment length of five years, the motion provides for each lay member to be appointed for a different duration, reflecting the placing of the candidates in the final report of the board to the Speaker. Thus Dame Janet Gaymer will be appointed for five years, Elizabeth McMeikan for four years, and Sir Anthony Holland for three years. All three of those excellent candidates could quite reasonably be appointed for the maximum period, but if we did that, the Committee would probably lose the expertise and experience of all three simultaneously.

Mr Winnick: I am grateful to the right hon. Gentleman for allowing me to intervene again. May I expand on what was said by my hon. Friend the Member for Bishop Auckland (Helen Goodman) and, to a certain extent, by me in an earlier intervention? Is it not important for us to have some knowledge of the incomes of people who make judgments about the incomes of Members of Parliament, and their remunerations as a whole? It is not a question of trying to interfere in their lives. They have volunteered to be part of the IPSA establishment and to be in the public domain, and I cannot for the life of me see why there should be any secrecy about their own total incomes.

Sir George Young: The hon. Gentleman is seeking to introduce a wholly new principle to people's appointments to bodies that have some involvement with the House of

[Sir George Young]

Commons, or indeed some outside bodies. It was not one of the terms and conditions of these people's appointments that they should declare their outside interests, and I think it would be quite wrong to require them to do that. It would be an unnecessary intrusion on their privacy.

Helen Goodman: I am grateful to the Leader of the House for giving way again. I understand that to accept the suggestion advanced by my hon. Friend the Member for Walsall North (Mr Winnick) would be to adopt a new principle, but I nevertheless feel that we should know what remuneration the lay members will receive specifically for their work on the Committee.

Sir George Young: I can satisfy the hon. Lady in that regard. The Act entitles lay members to remuneration and allowances to be determined by the Speaker and paid by IPSA. The daily rate of pay has been set at £300, which is comparable to the rate paid to those fulfilling similar roles elsewhere in the public sector.

I am happy to assure the House that the competition was fair and open, as the statute requires, and I am sure that Members will agree that the three candidates who have emerged from the process have a wealth of relevant public and private sector experience to support them.

I think it worth reminding the House that the scope of the Speaker's Committee is limited, and that it is not intended to serve as a forum or liaison for dealing with hon. Members' issues with the organisation. That is why you, Mr Speaker, announced last week the creation of a separate liaison group, which I know the House will welcome.

I commend the motion to the House.

7.39 pm

Helen Jones (Warrington North) (Lab): As the Leader of the House said, this motion has two parts, the first of which deals simply with the appointment of my right hon. Friend the shadow Leader of the House to the Committee to replace the former shadow Leader of the House, who is now the Labour Chief Whip. I am sure that we can rely on him to speak up for Members' interests in that Committee, as we can on its other members.

The second part of the motion appoints the lay members of the Committee, in line with the House's decision when it passed the Constitutional Reform and Governance Act 2010. That being the case, Labour Members do not intend to oppose the motion, but I wish to raise a few concerns, which I believe are shared by other hon. Members. The first, while being no reflection on the probity of the members appointed to the Committee, relates to how the public appointments process in general, which is simply reflected in this motion, seems always to appoint people from the same charmed circle to various public appointments. We do not have an appointments process that encourages people from all walks of life to apply. The House will need to consider this matter if this Committee stays in being, because we need a more balanced set of appointments as we do in many other walks of public life.

As the Leader of the House has mentioned remuneration, I should like to put my second concern on the record. The House is getting very concerned at the level of remuneration afforded to those who help scrutinise the work of this House compared with that afforded to Members of Parliament. That is a concern. I do not know how that level of remuneration was arrived at, and perhaps the Leader of the House will tell us when he sums up. It seems to me that the daily rate considered appropriate for Members of this House should also be considered appropriate for lay members of the House's Committees. I hope that in due course the House will turn its attention to that, because we tend to forget it. Many Members do not necessarily wish to stand up and say that, but this is a concern for Members from all parts of the House.

Sir Alan Beith (Berwick-upon-Tweed) (LD): May I suggest that any reasonable claim for travelling expenses related to the work should be submitted through the Independent Parliamentary Standards Authority process, thus giving the members of the Speaker's Committee a full appreciation of how that process works or malfunctions?

Helen Jones: The right hon. Gentleman tempts me to go down a route that is far away from this motion. However, I have said, as have others, that many of the problems with Members' remuneration and expenses would be solved if other people in the public sector were tied to the same rates as Members of Parliament. I doubt very much that that will happen.

Mr Nigel Dodds (Belfast North) (DUP): Is it a requirement for appointment that one has to be computer literate so as to be able to fill in forms and so on online? Is that part of the qualification for appointment?

Helen Jones: I am not aware that that is the case, but I am not sure that even those of us who are reasonably computer literate can cope with a system that seems designed perversely to put as many obstacles in the way as possible. That being said, it is important that we continue with the process that the House has agreed. Labour Members will support the motion.

7.43 pm

Sir Peter Bottomley (Worthing West) (Con): It is a delight to follow the hon. Member for Warrington North (Helen Jones). I think, however, that she misunderstood the point made by my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith), because if anybody on the Speaker's Committee for the Independent Parliamentary Standards Authority or the Independent Parliamentary Standards Authority had to apply for their own expenses in the way that Members of Parliament are required, they would have a greater understanding of either the problems that IPSA had in setting up a scheme under time pressure or the mistakes that were made when it was set up.

At the risk of boring you, Mr Speaker, I just want to mention the first fact, which is relevant to SCIPSA. When we do our own expenses, we have to get a barcode on a screen. It takes more than the number of fingers on my hand to get it printed out, but everyone has to have it printed out. What most people do not know is that when that gets posted with the receipts to IPSA, the

first thing IPSA does is generate another barcode to stick on the bits of paper that we put a barcode on in the first place. I suspect that SCIPSA should be interested in following a claim from a Member's PA through the Member to IPSA and in asking the IPSA members whether they tried the scheme before they imposed it on people in the House of Commons.

The second point on which I want to disagree with the hon. Lady is that I do not think that those who appoint the members of IPSA should necessarily be paid the same as us. It is quite clear—I say this just to make friends—that there cannot be a serious pay increase for Members of Parliament during this Parliament, but we ought to have a system to ensure that people who are elected after the next general election get a level of pay whereby being a general practitioner in politics is equivalent to being a general practitioner in medicine. If a Member of Parliament is not worth it, we should change the Member of Parliament, not lower the rate of pay.

I believe it is wrong to say that the lay members of SCIPSA should be people who represent a range of jobs throughout the economy. It is far better that they should have had the experience of being the human resources and personnel director of a major company. It is important that they have had some experience, as a civil service commissioner would have had, of seeing what appointments are like. The fact of making appointments matters most and my personal belief is that if the hon. Lady, I or any of the other right hon. and hon. Members in the Chamber had been in charge of appointing members of IPSA, they would have the same kinds of talent as the present members but would not have made the same decisions. IPSA had a virtually impossible job to do to begin with and it did not do it brilliantly. I hope that SCIPSA will say to IPSA, "What do you think you've done wrong and how can we ensure that the wrongs get righted and that further wrongs are not created in the future?" The present system, frankly, would be better put in a wastepaper basket and I hope that the members of SCIPSA help to do that.

Question put and agreed to.

PUBLIC ACCOUNTS COMMISSION

Ordered,

That Dr Stella Creasy, Mr Edward Leigh, Mrs Anne McGuire and John Pugh be appointed, and that Dr William McCrea be discharged as members of the Public Accounts Commission under section 2(2)(c) of the National Audit Act 1983.—*(Mr Heath.)*

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Criminal Law

That the draft Crime (International Co-operation) Act 2003 (Designation of Participating Countries) (England, Wales and Northern Ireland) (No. 2) Order 2010, which was laid before this House on 29 November, be approved.—*(Mr Vara.)*

Question agreed to.

Burton's Foods (Moreton)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

7.47 pm

Ms Angela Eagle (Wallasey) (Lab): I draw the attention of the House to my entry in this year's Register of Members' Financial Interests.

The Burton's food factory in Moreton is the largest private sector employer in my constituency and has been a mainstay of employment in the communities of Moreton and Leasowe for well over half a century. The site currently employs 342 people on permanent contracts, but biscuit making is a seasonal activity so there is the potential for an extra 200 seasonal workers during busy production times. It is not unusual for seasonal workers to work for up to 10 months of the year. During the production peak last year, for example, 566 employees were working in the factory.

Last year the company announced a supply chain review, but only days into the new year it announced the shocking news that it intends to close down the entire site by the end of 2011 with the loss of all jobs. It wishes to outsource chocolate refining for Cadbury, a specialism long performed to a very exacting standard in Moreton, to an unspecified supplier. It plans to invest £7 million in two other sites, Llantarnam in Wales and Edinburgh, as well as consolidating its distribution operations, again to an unspecified place.

We are at the beginning of the statutory 90 days of consultation that must by law precede redundancies. The work force, their representatives and I are determined to use that period in the most constructive way that we can to try to persuade Burton's Foods to change its mind about this disastrous decision. My first priority is to work with all interested parties to win the battle to save these jobs, which why I am so pleased that the Minister of State, Department for Business, Innovation and Skills, the hon. Member for Hertford and Stortford (Mr Prisk), is here to answer the debate tonight. I have given him advance notice of the questions with which I hope he can help me, so that we can give the work force the best chance of saving their jobs and avoiding the devastating effects that closure would have on the communities I represent. I shall return to those considerations, but first I want to deal with the developing situation in more detail.

I am grateful to Burton's Foods for agreeing to make available the information on which it is basing its decision, but unfortunately it has not yet delivered on that commitment. The so-called data room that will house the information was due to be opened by Monday of this week, but the most recent information I have is that it will not be open until Thursday. That means that two weeks of the 90-day consultation period have already been wasted in waiting for the promised information to be provided. There are also serious worries that the quality, accessibility and level of detail of the data will not be good enough to facilitate a testing analysis of the company's approach to the closure decision. I make this plea to the company: for speed and transparency, please co-operate with us and make available all the information in an easily accessible way. We aim to generate different proposals that offer a viable alternative to the decisions that the company has made in its supply chain review.

[Ms Angela Eagle]

Sadly, we have been in this position before with Burton's Foods. In 2007, the company earmarked the factory for total closure, but that was just months after the expiry of legal obligations it had agreed to in 2001 to access £4 million-worth of regional selective assistance from the regional development agency and rates rebates from the local authority. After that closure announcement, the work force were escorted off the site by security guards who had been hired specifically for the purpose. After that rather difficult beginning, we, together with the work force and their representatives, and after a successful campaign in the local community and this House, persuaded the company to change its mind. On 15 August 2007, a memorandum of understanding between the management and the Unite union, on behalf of the employees, was signed, saving manufacturing at the site and safeguarding a total of 437 jobs. In exchange for an undertaking that there would be no major restructuring on the site before May 2012, the work force accepted the proposed changes, some of which were painful, including new working practices. More painfully, there were 500 job losses despite evidence that the company's productivity had been increasing consistently year on year.

The Moreton work force have more than delivered on their side of the deal in the MOU. They have increased their productivity still further, despite having had pay freezes in four of the past 10 years and very modest increases in the other years. They have delivered £12.7 million-worth of cost reduction to the business and have agreed major changes in working practices to achieve that transformation. Let me give two examples that illustrate the nature of their commitment.

The Moreton factory produces the Christmas selections at the high-value end of any biscuit manufacture, and have been responsible for increasing the sales of seasonal products by 16%. That is four times greater than for Burton's main competitor and is an astonishing achievement in a tough and competitive environment. Likewise, the new Duels product, which was introduced relatively recently, was first made in Moreton and is now manufactured at the factory. The plan was for that new product to break even in 18 months, but due to the hard work and commitment of the managers and the marketing team, as well as the undoubted skills of the work force at Moreton, it has grown from nothing to a £20 million turnover business in just 12 months. None of the work force could have done any better—and what is their reward? The sack.

There are serious issues about whether the memorandum of understanding has been honoured by the company. No one is saying that conditions are anything other than tough in the £2.2 billion biscuit sector. Commodity prices have risen substantially and the retail environment makes it difficult for manufacturers to pass on extra costs to their customers. The company has changed hands in the year following a restructuring that converted into new equity £137.7 million of borrowing that had been loaded on to the company by a string of private equity owners. That has reduced the group's interest burden to a manageable level. The previous private equity owners, Duke Street Capital, passed ownership on to a number of parties, none of which now individually has a controlling interest, but I understand that they include the Canadian Imperial Bank and Apollo Asset Management.

Although the company is clearly experiencing difficulties in the market, the 2010 annual report shows positive figures over the past year. Its turnover was up 4%. Earnings before interest, tax, depreciation and amortisation were up slightly, as was its gross profit margin. Although that was a modest performance, I note in passing that the directors' remuneration increased by a staggering 97.5%, with a 119.9% increase for the highest paid director. That makes a startling contrast to the years of wage freezes inflicted on the work force at Moreton.

So there are tough conditions to contend with in the market. We all know that this requires an imaginative response, but I do not believe that the supply chain review is the right one. There are good grounds for believing that the production costs at the Moreton site have been overestimated, whereas the closure costs have been underestimated. There is much in the company's figures to contest.

Since the factory opened in 1953, it has been a dominant employer in the Leasowe and Moreton area. It is not uncommon for entire families to work at the factory, sometimes with more than one generation on the production line at the same time. If the closure were to go ahead, it would be devastating for many of my constituents. It would decimate the local economy at a time when it is already fragile. The human cost cannot be overestimated.

Mr Frank Field (Birkenhead) (Lab): I applaud my hon. Friend for initiating this debate and for her concentration on the impact on Wallasey, but despite the divisions between our two areas, people move over the borders from Birkenhead to work. My plea to the Minister is that he does not address only the points that my hon. Friend is making. The Government have a welfare reform programme and want people on long-term benefit to move into work. It is difficult anyway to achieve that. It is doubly difficult if the job market disappears for those wishing to make the transition.

Ms Eagle: My right hon. Friend is right. I shall come to that.

There are many local families who would lose more than one breadwinner and face serious hardship if the closure goes ahead. A closure would cause the local economy great difficulty. As an article in the *Wirral Globe* recently pointed out, many local small businesses benefit from the custom of so many employees on the site, and others, such as Abbey Supplies, deal directly with Burton's.

My first priority is to do all I can to save those jobs. That is why I am glad that the Minister is here, listening to the debate. It is important that in parallel I work to safeguard the interests of those whom I represent, which is why I have written to the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling) seeking a meeting with him to discuss the implications for our local employment market, should the closure go ahead. However, I would prefer the Minister to work with me to stop that happening.

Any potential closure of the site would have ramifications beyond the workers and their families who work at Burton's Foods. Two other companies, Manor Bakeries and Typhoo Tea, share the site with Burton's. These factories between them employ 620 more people. Executives

at Typhoo Tea have highlighted how any potential closure of the Burton's factory could cause them at least £1.5 million in extra costs as they have shared agreements on electricity, gas, drainage and stock rooms. It is crucial to avoid a domino effect on the site, and I wish to know what the Government could offer in the way of support to prevent that from happening in the event of a closure going ahead.

The week before Burton's Foods dropped the jobs bombshell on Moreton, the Prime Minister and Michael Heseltine had been visiting the docks in Wallasey. Indeed, the Prime Minister referred to that at Prime Minister's questions today. The visit was part of their growth tour. Although the Wirral Waters development is potentially very exciting, it is a plan which by its nature cannot make progress quickly. The Government's contention has been that the private sector will grow to fill the gap caused by the decision to cut public spending so quickly and deeply, but I am sad to report to the House that we are already experiencing public sector job cuts announced locally. Wirral borough council has decided to cut 1,100 of its employees this year—one sixth of the total—but the private sector has not filled the gap. By its announcement, Burton's Foods has piled on the agony.

Even prior to these announcements, Wallasey was suffering high unemployment. In December, Government figures showed that 2,173 people were claiming jobseeker's allowance. For every job vacancy, there are now 17 applicants, and that is before the job losses announced by Burton's and the local authority have taken effect. That is why it is so important to fight to save these jobs. I implore the company to think again and work with the employees to develop an alternative proposal that can allow it to remain competitive in the market while securing jobs at the site.

I would be grateful if the Minister could lend his support by dealing with the following questions tonight. Work is going on to formulate alternative proposals that will meet the company's requirements without closing the Moreton factory. Similar exercises have succeeded in the past, but only with active Government support. What support can the Government offer if we are able to put together a package that will convince the company to rethink its decision? What grants has the company applied for from the Scottish and Welsh Governments to support its proposals to move jobs from Moreton, and can the Minister promise to match any grant offered to secure those jobs in England? The company accounts for last year show a credit of £418,000 for

"the release of Government grants".

Can the Minister explain what these outstanding grants are? Can he also explain what leeway, if any, the outstanding moneys may give in encouraging the company to think again?

As I have already mentioned, two other businesses remain on site, Typhoo Tea and Manor Bakeries, which employ 620 people between them. They have indicated the extra costs that they face if the Burton's factory were to close. What support can the Minister pledge in order to prevent a domino effect, putting those jobs at risk too, if the closure were to go ahead?

The Moreton site is the only land in the area suitable for industrial development and zoned for that use. If there were a closure we would need significant public investment to ensure that it could be developed to create the potential for future jobs growth and enhance local job prospects. What support could the Department offer in those circumstances?

My constituents who work at the plant will fight for their jobs. They will not roll over, but they need the support and help of the Government to ensure that there is a level playing field in grant support in all areas of this country. We heard the Prime Minister today promise to support private sector businesses throughout the country, but particularly in Merseyside, and workers at Moreton are looking to the Government to keep the promise that the Prime Minister made earlier today and support private sector jobs and promote growth.

At a time when families in Moreton and Leasowe are desperately worried about rising unemployment, I ask the Minister to work with me to help save the Moreton site and to secure the jobs of one of Britain's most established, dedicated and successful work forces.

8.3 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I congratulate the hon. Member for Wallasey (Ms Eagle) on securing the debate. She has raised a number of important questions, which I will seek to answer. I know from looking at the history of the site that this has been a vexed site and plant, so these are not necessarily new problems with this particular business or location; she rightly alluded to that.

I was sorry to hear of the decision, which I first learned about from the media, and then heard about from the hon. Lady when she raised the matter in the Chamber last week. Clearly, the concern that she has rightly shown for the 342 employees will be shared in the House. It is very unwelcome news and it is inevitably a worrying time for both the employees and the families, let alone the community. Having been through that experience myself, I understand how people often take this as very much a personal issue.

Since the company announced the factory closure earlier this month, Jobcentre Plus has been in contact to offer the support of its rapid response service. The company has accepted that offer of help and the details of the tailored support package that will be offered to the work force are currently being worked out. That support will focus on helping Burton's employees find alternative employment as quickly as possible and will take a number of forms. In addition to offering advice on writing CVs and doing job searches, depending on what is required, the support package might include matching the employees made redundant to known job vacancies and helping individuals to identify their transferable skills and training needs to help them find work in the local labour market.

Ms Angela Eagle: Will the Minister give way?

Mr Prisk: I will give way on that point, which is a precursor to the broader issues.

Ms Eagle: I understand that, but I hope that the Minister has listened with some sympathy to the fact that 17 people are currently chasing every vacancy in Wallasey. It is not a question of writing CVs; it is a question of demand and the existence and supply of jobs. What he describes would be important if the plant were to close, but I hope that he will help us to keep it open.

Mr Prisk: Certainly, and my purpose in elaborating on this is for people to understand the broad packages available. I will then move on to the questions the hon. Lady has raised.

In addition, the support package will set up an action fund to help workers take up a new job, for example by giving help with travel-to-work expenses, which relates to the point made by the right hon. Member for Birkenhead (Mr Field). As I said, redundancy can be a personal tragedy for every individual and their families, so the Government are committed to helping people find alternative employment as soon as possible.

The hon. Lady cited the disappointing GDP figures in support of a claim that the Government are somehow pursuing the wrong economic strategy. In fact, the Office for National Statistics has made it perfectly clear that the fall in GDP was largely driven by the weather late last year, when we experienced the coldest December since records began. In looking at the figures, it is noticeable that the manufacturing sector, which we are talking about today, was in fact performing well.

Ms Eagle: Will the Minister give way?

Mr Prisk: I am happy to do so, but I am trying to get to the hon. Lady's points.

Ms Eagle: I understand that and thank the hon. Gentleman for giving way. In the spirit of trying to work together to find a positive solution, I did not play politics with the issue and did not mention the GDP figures. I am trying to see whether the Department for Business, Innovation and Skills will be able to offer positive help to save the jobs. We all know what has to happen, and I would wish to discuss that with the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling), who is responsible for employment, if the worst happens and the factory closes. However, I wanted this Minister to be here so that we could try to save the jobs, and I deliberately did not mention yesterday's GDP figures because I did not want to get into a party political argument about economics. I am trying to help my constituents to get by and to save local jobs, and I am a little disappointed that he has claimed that I mentioned the figures.

Mr Prisk: I am trying to set out the context of where we are, because it is important for understanding why some factories are closed and others are prospering. It is important to remember that we are seeing record output levels in manufacturing as a whole, although clearly there will be individual factories, to which the hon. Lady has rightly alluded, where there are specific circumstances, such as the way own-brand goods are damaging the food and drink industry's manufacturing side; that might lead them to close. We need to understand the reasons behind individual factory closures and why some parts of the manufacturing sector are prospering in the north-west and others are not. That is the context that I am trying to set out.

We feel at this stage that the crucial thing that industry needs more than anything is certainty and clarity on the overall picture. That is why we are cutting the corporation tax rate from 28p to 24p, which will result in the UK having the lowest corporation tax rate of the G7 nations. That matters for an important reason: by 2016 it will unlock £13 billion of investment that industry and business can reinvest. When we look at the past problems of the Moreton plant, which has received £3 million in direct grant assistance from the public sector, we must recognise that if the business itself says that it cannot make the plant viable, there is a challenge as to what the Government can then do to change that.

On the broader picture, I must say that we are focused on investing in programmes such as the manufacturing advisory service, which is expressly designed to help strengthen and improve manufacturers. We are also putting £200 million into an enterprise capital fund, which is good for growth businesses. The hon. Lady referred to Burton's existing account balance, and that might be relevant, but we would also point to the importance of the enterprise finance guarantee, which seeks to generate up to £2 billion of additional lending—again, an important issue in that sector.

On the broader issue of adult apprenticeships, the additional investment of £250 million is very important, because, as the north-west economy restructures and we see good success—for example, in the aerospace and automotive sector—the need for more adult apprenticeships will be crucial. That is why we are seeking to expand their number, so that the opportunity for the hon. Lady's constituents and those in neighbouring areas is significant, enabling them to retrain where other businesses cannot prosper.

Mr Frank Field: Will the Minister give way?

Mr Prisk: Yes, then I shall move on to the specific issues that the hon. Lady raised

Mr Field: One key point that my hon. Friend made was that, in the situation under discussion, we have a very specific group of employers who are very clever at managing public sector support for their industry; and one question that she asked was whether the Minister knows whether the Welsh Assembly Government or the Scottish Government are issuing support to entice the firm away from Moreton, because it enjoys taxpayer support. If they are, can the Government—the English Government—match what the Welsh and Scottish Governments are offering?

Mr Prisk: I am going to address the specifics of the hon. Lady's questions, but I wanted to ensure, as the right hon. Gentleman rightly points out, that we looked at the context, because there are good manufacturing stories to be told in the north-west, and it is important to stress that.

The hon. Lady referred, first, to the alternative proposals, in which I know she is actively engaged, and she asked what might happen if they were successful. We have a problem, because Burton's has decided to wind down its business and to reinvest elsewhere. I shall turn to the Scottish numbers in a moment, because we have made specific inquiries. It is therefore very difficult, at this moment, for the Government to try in any way to override a decision if the company wishes to move from that location to elsewhere—however frustrating I am sure that will be for the hon. Lady. If the company does not wish to remain on that site, it is very difficult for the Government to change the fundamentals of that particular business.

On the Scottish Government grants that have been allegedly applied for, we have made specific inquiries to try to help the hon. Lady, and at the moment we understand that no detailed discussions have taken place between the company and the authorities. There has been an initial discussion, but no business plan, details or finance plan have been discussed. The location in question in Scotland would not qualify for regional selective assistance, however, so we wait to find out what the discussions may or may not be about between Burton's and the Scottish authorities. I have asked my officials to monitor the situation closely, and if we receive that information we will of course share it with the hon. Lady, so that she is able, in her local discussions, to deal with it. She will appreciate, however, that at this moment and at this Dispatch Box it is very difficult and, indeed, probably inappropriate for me to second guess what may or may not be offered.

On the question of the company's accounts for last year, which show a credit of £418,000 for, as the hon. Lady put it,

"the release of Government grants",

we have spoken to the Northwest Regional Development Agency, and I am disappointed to tell her that, as of an hour ago, it has not been able to provide us with that information. I have pressed upon the RDA the need for it, and the moment I receive a reply I shall of course share it with the hon. Lady, so that she can understand the background to the situation and what

"the release of Government grants"

actually means.

The hon. Lady referred to two other businesses, Typhoo Tea and Manor Bakeries. She asked whether there is a danger of a domino effect because the security and amenities on the site are shared. I am concerned that the closure of the plant should not have unreasonable adverse effects on the neighbouring businesses. I am not familiar with the exact site and with what those effects might be, and I am not sure whether it would be £1.5 million, £2 million or £3 million. However, we are in direct contact with the RDA to establish the specific facts and itemised numbers on that. She said that the data centre that the company offered is not yet operational. If we get that information from the other companies through the RDA, we will bring it to her. It is difficult for me, in the circumstances, to make a commitment at this moment, but I am happy to come back to her in due course when we have more information on that issue.

The hon. Lady said that the Moreton site was effectively the only land in the area that is suitable for industrial development and zoned for that use. She asked what the situation would be if there was a closure, because it could be serious. A number of avenues are open, and I urge her to work with business and civic leaders in this area, as I know she already is. She mentioned the regional growth fund, the first round of which closed today.

Jim Shannon (Strangford) (DUP) *rose—*

Mr Prisk: We are in the last minute of the debate, so I will not give way.

The £1.4 billion regional growth fund has been set up. The first round has closed, but the second has not. The hon. Lady might want to consider that. In addition, there is the £1.5 billion business growth fund that the banks have established to deliver investment. As I said, if things do not work out, Jobcentre Plus help is available.

I appreciate the difficulties in the hon. Lady's area, and it is important that we remain in conversation and contact on this matter. It is early days, but I hope that a satisfactory conclusion can be reached. At this moment, it would be unwise of me to make a carte blanche offer of help in monetary terms, because we are not fully conversant with the facts. When we are, I will be happy to have further conversations with her, or her neighbouring colleagues if that is appropriate. On that note, I will draw my remarks to a—

8.17 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Thursday 27 January 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Low-emission Vehicles

1. **Guy Opperman** (Hexham) (Con): What steps he is taking to encourage the take-up of low-emission vehicles. [36293]

The Secretary of State for Transport (Mr Philip Hammond): Eighty-four per cent. of journeys are undertaken by car. Tackling car-produced carbon by fostering and supporting the decarbonisation of motoring is therefore one of the Government's key transport priorities. The spending review announced provision of more than £400 million for measures to promote the uptake of ultra-low carbon vehicle technologies. Those include support for consumer incentives, development of recharging infrastructure and a programme of research and development.

Guy Opperman: My local pub, the Battlesteads inn, which is award winning and excellent, has an electric car-charging point. It is one of the few in Northumberland. The problem is that the ability to recharge is dependent on the north-east's sole recharging point. When will the system be made nationwide?

Mr Hammond: As my hon. Friend knows, the north-east is one of the areas that has been selected for support in the plugged-in places pilot, so there will be a roll-out of further charging infrastructure in the north-east. The Government are currently considering the options for a national roll-out of charging infrastructure and how we mandate that. We will publish our decisions in due course.

Mr Clive Betts (Sheffield South East) (Lab): Is the Secretary of State aware of two interesting companies in my constituency? First, ITM Power produces and develops hydrogen-powered cars, with the ability to produce hydrogen in domestic units at home. Secondly, Magnatec attaches electric motors to diesel-powered vehicles, increasing efficiency by 30%. That system has been running on buses in Denver for more than 10 years, but British buses do not seem interested in taking it up. What steps is the Secretary of State taking with the Department to encourage those firms? Would he like to visit the constituency?

Mr Hammond: In fact, yesterday, I met a firm developing innovative battery technology in Aberdeen. We are always pleased to talk to companies that are developing low-emission vehicle technology in the UK. We have deliberately made the incentives technology-neutral so that people developing new and innovative systems can get the benefit of them.

Simon Wright (Norwich South) (LD): One of the quickest and cheapest ways in which to reduce vehicle emissions is through more economical driving habits, but I understand that the take-up by businesses of smarter driving training courses has been disappointing. Will the Secretary of State explore the strategies that are open to the Department to increase take-up of those courses?

Mr Hammond: The Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker) is looking precisely at how to increase take-up of the smarter driving training courses.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): As the Secretary of State knows, the Department turned down a joint private and public consortium bid, including Cardiff and Bristol councils and the Energy Saving Trust, for a network of electric car-charging points between both cities on the M4. Will he explain to the people of south Wales why he turned down that bid?

Mr Hammond: The number of bids exceeded the available resources for the second wave of plugged-in places pilot schemes. All the bids were evaluated, and those that represented the greatest value for money were allowed to proceed. The promoters of the unsuccessful bids have been debriefed by the team in the Department, so they will have a detailed understanding of why their bid, on this occasion, failed. I hope that they will be encouraged to resubmit a bid in the next wave.

Rail Industry (Reform)

2. **Mr Robert Buckland** (South Swindon) (Con): What plans he has for reform of the rail industry; and if he will make a statement. [36294]

8. **Harriett Baldwin** (West Worcestershire) (Con): What plans he has for reform of the rail industry; and if he will make a statement. [36301]

The Secretary of State for Transport (Mr Philip Hammond): Sir Roy McNulty's rail value for money study has identified areas where significant efficiencies can be achieved. It is clear that the most pressing need is to align incentives across the industry to ensure closer working between Network Rail and the train operating companies. Our franchise reform programme is a key strand in the strategy. Those reforms, together with Sir Roy's final recommendations, will form the basis of a long-term strategy for the industry. We are committed to publishing those proposals by November 2011.

Mr Buckland: Peak-time and season-ticket commuters from Swindon to London on the main line have had to face significant fare increases this month. Will the Government's new rail franchising reform programme put special emphasis on the need for greater capacity and fairer rail fares?

Mr Hammond: We are committed to fair rail fares. Unfortunately, to support the rail investment programme, we have had to project faster-than-inflation increases in fares for the next three years. However, let us be clear: we have to get the cost of our railway down so that the burden on taxpayers and fare payers can be alleviated in future.

Harriett Baldwin: It takes 45 minutes longer to travel from London to Worcestershire along the Cotswold line now than it did in 1908. Will the Secretary of State agree to meet me and other representatives of the Cotswold line organisations to see how reform of the rail industry could help improve the timing and frequency of that service?

Mr Hammond: I understand my hon. Friend's concern. Of course, there are far more stops and services than there were in 1908, but I am always delighted to meet her and other colleagues and would be happy to do so on this occasion.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): How will the Secretary of State secure better co-ordination, focusing on the interests of passengers rather than for ever dealing with the consequences of fragmentation?

Mr Hammond: The hon. Lady is hinting at the fact that, at the moment, far too much time and energy in the rail industry is spent on allocating blame for things that have happened rather than on working out how to prevent them from happening in future. We believe that aligning the financial interests of the train operators and the infrastructure operators, so that they both have a stake in positive outcomes for passengers, is the way forward. We will await Sir Roy McNulty's final recommendations and set out our proposals for the reform of the industry on that basis.

Rachel Reeves (Leeds West) (Lab): In west Yorkshire, rail fares are set to go up by the retail prices index plus 5% from next year, which is the biggest increase in the country and 2% higher than in other areas. What will the Secretary of State do to avert those crippling hikes for people in Leeds and the rest of the region?

Mr Hammond: I cannot avoid the increases in prices to which the hon. Lady refers. They are partly driven by specific increases in rolling stock to alleviate overcrowding in the area. In the medium term, as I said in answer to the previous question, we must drive efficiency in the rail industry, and ensure that the cost base of our railway becomes comparable with those of other European countries, so that the upward pressure on fares can be alleviated.

Martin Horwood (Cheltenham) (LD): I accept what the Secretary of State has said about the cost of the rail network, but does he nevertheless agree that the quality of passenger experience, which goes far beyond mere punctuality, should play a much greater part in the award of future railway franchises, and in their retention by train operating companies?

Mr Hammond: My right hon. Friend the Minister of State has published a consultation on franchising reform, in which she referred specifically to considering passenger satisfaction as one of the metrics. My hon. Friend will no doubt have been as delighted as I was to see the Passenger Focus survey this morning which shows that 84% of rail passengers are satisfied with the service that they receive on the railway.

Maria Eagle (Garston and Halewood) (Lab): I welcome the right hon. Gentleman's decision to continue the rail industry review that was started by the Labour Government. When Sir Roy McNulty publishes his final report in April, the Opposition will support any sensible proposals that take cost out of the industry without reducing the quality of service for passengers. However, does the Transport Secretary agree with me—and with some Conservative Back Benchers, from what I heard in earlier exchanges—that as the cost to the Government of running the railways comes down, the cost to the public of travelling by train should come down as well?

Mr Hammond: I am grateful to the hon. Lady for her expression of support for Sir Roy McNulty's review and I am happy to acknowledge that that process was set in train by my predecessor. I look forward to taking the review forward on a consensual basis. Of course, the objective of driving efficiency in the railway is to reduce the burden on both the taxpayer and the fare payer. I am glad that she recognises that the only realistic way to do that is to reduce the cost base.

Maria Eagle: In view of that, does the Secretary of State understand the anger felt by hard-pressed commuters up and down the country who are facing big fare hikes—record fare rises of over 30%—over the next three years, and often worse overcrowding on services that will not really improve over that period? The initial findings of Sir Roy's review suggested that savings of £1 billion could be found without cutting services, so will the Secretary of State now commit to sharing the benefits of those savings with passengers, and rethink his plan to impose record fare rises?

Mr Hammond: Sir Roy McNulty's suggestion that £1 billion a year could be found refers to 2017-18. It will take some time before we get to that level of achievement, but it must remain our aspiration. In the meantime, the hon. Lady has answered her own question. Overcrowding is a key issue, and if we are to address it we must continue to invest in additional rolling stock and infrastructure on our railways, as we have committed to do. I am afraid that means that the relief that passengers seek will not come in the next couple of years, although it will come.

Traffic Lights

3. **Mr John Baron** (Basildon and Billericay) (Con): If he will consider the merits of authorising traffic signals to display only flashing amber aspects in the early hours of the morning to reduce journey times. [36295]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): The Department is looking at various options for traffic signalling during quieter periods of the day and the flashing amber signal is just one of the techniques being considered among many others. However, in the interests of safety, it is important to ensure that any signalling technique provides a consistent and unambiguous message to all road users.

Mr Baron: May I point out to the Minister that other countries operate such a system, but in a written response to me the Government stated, somewhat condescendingly:

"The British motorist would find this system confusing."

Will the Minister consider a pilot scheme for such a system, perhaps in my constituency, which would speed journeys and reduce emissions?

Norman Baker: As I mentioned, we are having a review of signs generally and that suggestion is being considered as part of that process. The difficulty is that the flashing amber signal already has a specific legal meaning in this country, where it is used to indicate legal precedence for pedestrians at pelican crossings. That means that we could not authorise a trial or the use of the flashing amber signal for any other application without first changing the meaning of the signal in regulations. A dual meaning might not be a very good idea.

Road Schemes (East Yorkshire)

4. **Diana Johnson** (Kingston upon Hull North) (Lab): What assessment he has made of the effect of the outcome of the comprehensive spending review on road improvement schemes in east Yorkshire. [36296]

The Secretary of State for Transport (Mr Philip Hammond): There were three road improvement schemes in east Yorkshire under consideration at the time the spending review was announced. Of those schemes, the Beverley integrated transport scheme has been classified as in the development pool and the A164 Humber bridge to Beverley improvement scheme has been classified as in the pre-qualification pool. Both are currently subject to the prioritisation process set out in the document that was made available to Members in this House on 26 October.

The Highways Agency scheme to improve the A63 Castle street in Hull has been identified as a scheme with a positive business case for potential construction in future spending review periods.

Diana Johnson: As the Secretary of State has said, in the October announcement the upgrade of the A63 was put back until at least 2015. Since then, we have had the announcement from Siemens that it will develop the green energy industry along the Humber. In light of that announcement, will the Secretary of State think again? The A63 upgrade would have a positive impact on the economic regeneration of east Yorkshire and local businesses are really pushing for it.

Mr Hammond: I am aware of the relevance of the A63, having sat in a traffic queue on it not so long ago. The Highways Agency budget for the current spending review period has been allocated to schemes that have been approved to proceed, so there will be no more funding available during the funding review period. However, that scheme is value for money and I expect it to go forward in a future spending review period.

Congestion Charging (West London)

5. **Angie Bray** (Ealing Central and Acton) (Con): What assessment he has made of the effects of the ending of the west London extension of the congestion charge zone. [36298]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The removal of the western extension of the congestion charging zone is a devolved matter for the Mayor of London.

Angie Bray: Does the Minister of State agree that one of the beneficial effects will be for those who live or try to run small businesses around the perimeter of the zone, for whom life was made very expensive? However, perhaps the biggest benefit will be for City Hall in the restoration of a reputation for proper democratic governance.

Mrs Villiers: My hon. Friend has a strong record in her former capacity as a London Assembly Member for representing the views of residents on this issue, as she has in her current capacity as the hon. Member for Ealing Central and Acton. There are always pros and cons to be considered in relation to the impact on business of congestion charging schemes. No doubt when the Mayor made the decision on the western extension zone he will have taken on board her concerns about the impact on small businesses on the periphery and boundary of that zone.

Clive Efford (Eltham) (Lab): Notwithstanding the fact that this is a devolved matter, the Department provides a great deal of resources to the Mayor of London for traffic issues. His removal of the western extension has cut £70 million annually from his revenue stream. Did the Department express any concerns at any time about the effect of that cut on funding for future transport schemes in London? The rest of us are paying higher charges and fares as a result of that hole in the Mayor's budget.

Mrs Villiers: This is a devolved matter. The settlement was established by the Labour Government, who made it clear that congestion charging matters were rightly for the Mayor of London to decide and not for Ministers in Whitehall.

Rail Franchising

6. **Andrew Jones** (Harrogate and Knaresborough) (Con): What plans he has for the reform of rail franchising; and if he will make a statement. [36299]

11. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What plans he has for reform of rail franchising; and if he will make a statement. [36304]

The Minister of State, Department for Transport (Mrs Theresa Villiers): On 19 January, the Government set out a new approach to franchising, taking account

of the consultation that took place last summer. We expect the reforms to deliver a railway that is more responsive to passenger needs and provides better value for taxpayer investment.

Andrew Jones: I thank the Minister for that answer. Last week, the east coast main line announced a new direct service from London to Harrogate—the first for 20 years—after some excellent local work promoting the economic case for that service. As the new franchise requirements for the east coast main line are developed, will that economic case see Harrogate-London links built into those requirements?

Mrs Villiers: I thank my hon. Friend for his question. I have been impressed with the work done by him, the Harrogate chamber of commerce and Harrogate business interests to make the case for improved rail services between Harrogate and London. I would encourage them to continue that input when the consultation takes place on re-letting the east coast franchise. We will, of course, take those representations into account in our decisions on Harrogate services.

Eric Ollerenshaw: Given the announcement last week that the west coast main line franchise will be up for renewal, how soon does the Minister think we will see the extra carriages and, perhaps, the extra trains that we need to relieve the severe overcrowding on the line, particularly for my constituents in Lancaster?

Mrs Villiers: The Government will be funding 106 extra carriages on the west coast main line, which are due to come into operation with the new franchise. Some of those carriages will be available in a new train that will be available earlier, once its testing period has been completed. At that point, it will be available for Virgin to sub-lease, if ordinary commercial terms can be agreed.

Mr David Hanson (Delyn) (Lab): Will the Minister give an assurance that under the new franchise services to north Wales, in particular, will not be reduced, especially given the news this week that services from Wrexham to Marylebone will cease as of Friday?

Mrs Villiers: We are engaged in a consultation on the level of services and the configuration that will go into the west coast main line. We fully appreciate the importance of the services in Wales, including north Wales, and I would encourage the right hon. Gentleman to take part in the consultation. Of course, we are very much aware of passengers' disappointment at the closure of the Wrexham and Shropshire service, and we will take that on board in the decisions that we make on the west coast line.

Alison McGovern (Wirral South) (Lab): Could the Minister say how the reform of rail franchising will support infrastructure investment, especially the necessary electrification on the Wrexham to Bidston line, for example, which runs through my constituency?

Mrs Villiers: I believe that longer franchises, which are a key part of our reform, will provide stronger incentives for private sector investment in improving stations, rolling stock and—potentially—infrastructure. The current short franchises, through which it was difficult to get a return on significant investments of that sort, made it difficult for the private sector to maximise its investment in the railways. The rail franchising reform will therefore help to deliver the sort of improvements that the hon. Lady talks about.

Guto Bebb (Aberconwy) (Con): As part of the consultation on the inter-city west coast main line, will the Minister consider the negative impacts of the use of power boxes and mechanical signalling on the ability of franchise holders servicing the north Wales coast to provide an enhanced level of service to my constituents?

Mrs Villiers: We do not seek to micro-manage Network Rail's decisions on signalling—we take a technologically agnostic approach to that—but we encourage it to deliver its renewals and upgrades in the most cost-effective way possible, and I am happy to pass on my hon. Friend's points to Network Rail, so that it can take them on board in its decisions.

David Wright (Telford) (Lab): The demise of the Wrexham-Shropshire service is particularly sad. Local people really valued it, not just because it provided the direct link to London, but because the staff provided a superb service. Would the Minister be willing to meet MPs from all parties with constituencies along the line to discuss how we can consider not just how open-access services operate generally, but how we can put the line through Shropshire and up to north Wales back into the west coast franchise?

Mrs Villiers: I would be happy to have that meeting. I encourage the hon. Gentleman, as I did the right hon. Member for Delyn (Mr Hanson), to take part in the west coast main line consultation under way.

Duncan Hames (Chippenham) (LD): How will the Minister's franchising reforms facilitate much-needed investment, both trackside and on train, in smarter signalling, such as in the world-class systems developed by Invensys in my constituency, which I would be delighted to show her, if she would be so kind as to visit Chippenham?

Mrs Villiers: I shall certainly try to fit a visit to Chippenham into my diary. As I said to the hon. Member for Wirral South (Alison McGovern), I believe that longer franchises with more flexibility will encourage private sector investment in the railways. Longer franchises in the past for Chiltern Railways have enabled the train operator to become involved in signalling work. However, we have to acknowledge that major infrastructure works will need to continue to attract public funding, although there is no reason to believe that rail franchising reform could not assist private sector and train operator involvement in improving signalling.

Uninsured Drivers

7. **Gareth Johnson** (Dartford) (Con): What steps he is taking to reduce the incidence of people driving while uninsured. [36300]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I am pleased to confirm that a new offence of keeping a vehicle with no insurance is being

introduced, and that supporting regulations were laid before Parliament on 11 January 2011. Enforcement of the offence is planned to commence in the spring. The scheme for continuous insurance enforcement identifies uninsured drivers by comparing the Driver and Vehicle Licensing Agency's vehicles database with the motor insurance database.

Gareth Johnson: I am grateful to the Minister for his reply. I am sure that he would agree that uninsured drivers are selfish in the extreme. Can he tell the House how much money will be saved for responsible drivers as a result of the changes, and will he also confirm that the police will retain the power to seize vehicles that are uninsured?

Norman Baker: I am grateful for my hon. Friend's welcome for the steps that the Government are taking. I can confirm that the police will continue to have the power to seize vehicles, and he may be interested to know that last year they seized 180,000 such vehicles. Around 1.4 million vehicles are uninsured, which costs responsible motorists around £30 extra in their premiums each year. We think that the measure will save about £6 for each motorist.

Chris Leslie (Nottingham East) (Lab/Co-op): Does the Minister not recognise that insurance costs, particularly for young drivers, are reaching ridiculous levels? The AA premium index suggests that they could rise by 40% this year, which he is making worse with the rise in insurance premium tax. Given that fines are so low, will that not mean that people will sometimes be incentivised to avoid paying their insurance? What on earth will he be doing about that?

Norman Baker: I understand the hon. Gentleman's point, and my Department is in discussions with the Ministry of Justice about that specific matter. However, I hope that he would also welcome the steps taken today to clamp down on uninsured drivers, who are costing motorists more money.

HGV Drivers (Diabetes)

9. **Mr Charles Kennedy** (Ross, Skye and Lochaber) (LD): When his Department plans to publish its consultation on changing the law to allow UK nationals with diabetes to drive heavy goods vehicles in the UK. [36302]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Department for Transport plans to publish the consultation document very soon. We welcome views from anyone interested in the proposed changes and will consider all representations before making our final decisions.

Mr Kennedy: I thank the Minister for that reply. She will be aware from correspondence that my question arises from a rather long-running constituency case, which is not untypical of those of other hon. Members across the Chamber. Given that the EU directive dates back to August 2009 and that we have an utterly inconsistent position in the UK—registered diabetic heavy goods vehicle drivers from elsewhere in the European Union can drive on our roads, whereas UK-registered diabetic HGV drivers cannot—can she give some consideration as to how quickly this glaring anomaly can be cleared up?

Mrs Villiers: We will certainly be working hard to get the consultation document out as quickly as possible. However, given that what is being contemplated is a relaxation of current road safety rules, I am sure that my right hon. Friend will agree that this is not something to be undertaken lightly. We must ensure that we take the time to consider all the relevant factors to ensure that it is safe to make the change.

Coastguard Services

10. **Gemma Doyle** (West Dunbartonshire) (Lab/Co-op): When he plans to publish his proposals for the modernisation of Her Majesty's coastguard. [36303]

The Secretary of State for Transport (Mr Philip Hammond): The consultation on proposals to reconfigure coastguard maritime rescue co-ordination centres was launched on 16 December and will run until 24 March 2011. After that all responses received will be reviewed and analysed before we make a decision. At present there is no final timetable for the decision, as the time required for analysis will depend on the volume of responses received. In our view, it is more important to make the right decision than to make a quick decision.

Gemma Doyle: I have been contacted by several constituents who are concerned about the proposal to close Clyde maritime rescue co-ordination centre. They are worried that the loss of local knowledge will risk coastal safety in and around the waters of the Clyde. Will the Secretary of State give a commitment to listen carefully to those concerns about the closure of coastguard stations and, in particular, rethink the proposal to close Clyde MRCC?

Mr Hammond: Of course we will give careful consideration to all the representations made in the consultation. I should emphasise to hon. Members that we are talking about search and rescue co-ordination centres. They are not front-line delivery points; they are the centres that manage and co-ordinate the calls coming in, and task the front-line rescuers. The driver for the change is managing the work load and interlinking the centres across the country, so that they can best manage fluctuations in work load and provide a 24-hour competent service.

Mr Adrian Sanders (Torbay) (LD): Have not the regional fire centre proposals, which were based on pretty much the same principles, been abandoned? Was not consideration given, before the consultation paper was published, to where this could end?

Mr Hammond: Indeed; I looked at precisely that point. The difference is that fire and rescue services are localised—there are different fire and rescue services around the country. Her Majesty's Coastguard is a national service, operating as such, and the reconfiguration will provide nationally networked co-ordination centres that will deliver across the whole country.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Today's *Liverpool Echo* calls into question the genuineness of the consultation on the coastguard service. If we take into account the scrapping of Nimrod, the ending of the emergency towing vessel contracts, the selling off of air-sea rescue, the prospective closure of coastguard stations and the sacking of coastguards, what assurance can the Secretary of State give to shipping, where there is real concern about the future of safety? Can he assure us that there will be no compromising of maritime safety?

Mr Hammond: It is a bit rich for the hon. Gentleman to talk about the selling off of search and rescue, when the search and rescue private finance initiative project was initiated by the Government in which he served and had been running for at least three years before the general election. On the specific point about the Liverpool coastguard co-ordination centre, Ministers looked at the proposals made by officials in the Department and judged that the decisions to be made between Belfast and Liverpool and between Stornoway and Shetland were so close that the consultation should go forward while making it clear that there was a judgment call to be made within each of those two pairs of stations. There was not a clear and definitive business case, which I think is what has given rise to the story in the *Liverpool Echo* to which the hon. Gentleman has referred.

Bus Services

12. **Mr Iain Wright** (Hartlepool) (Lab): What plans he has for the future of bus services. [36305]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): My aim is to improve the entire bus journey for passengers. That means better integration between bus and rail services, better passenger information, smarter and more integrated ticketing, greener buses and better accessibility for people with reduced mobility. That will be achieved through incentives for commercial bus operators, funding local transport schemes through the local sustainable transport fund, but, above all, through operators and local transport authorities working together.

Mr Wright: In my area, Stagecoach is blackmailing Hartlepool borough council once again by claiming that it cannot run an evening bus service without getting yet more public money. Stagecoach made £126 million profit from its bus operations last year, but seemingly cannot operate an evening service after 7 o'clock in Hartlepool. It is very clear that the current system is not working, so will the Minister bring forward proposals to re-regulate local bus services?

Norman Baker: There is, in fact, a large range of powers available to local authorities, not least through the Local Transport Act 2008, which enables quality partnerships, and even quality contracts, to be established, so if his local authority feels that it has an unsatisfactory relationship with the bus company in question, it is open to it to look at the options available in legislation.

Miss Anne McIntosh (Thirsk and Malton) (Con): I hope the whole House will join me in extending condolences to the parents, family and friends of the 12-year-old boy tragically killed while crossing the A64 to catch the school bus.

On the wider question of rural buses, what assurance can my hon. Friend give to those living in rural areas that we will have a more extensive service—or at least as good a service as we have at the moment?

Norman Baker: I echo the condolences expressed by my hon. Friend about that tragic accident.

We are conscious of the importance of rural areas, which is why the issue was flagged up in the local transport White Paper. I changed the guidance on concessionary fares to ensure that the special position of rural and long-distance routes was specifically recognised in that regard. We have been in touch with local authorities to look at innovative schemes, such as dial-a-ride and so forth, to ensure that local services, which are essential to rural areas, are maintained.

Roadside Inspection

13. **Andrew Bridgen** (North West Leicestershire) (Con): How many commercial vehicles underwent Vehicle and Operator Services Agency roadside inspections in December 2010. [36306]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): Approximately 7,000 vehicles underwent Vehicle and Operator Services Agency roadside inspections in December 2010. That was a combination of trucks and trailers, cars, buses and vans. That number comprised just over 17,000 checks of individual areas, such as checks for mechanical defects or drivers' hours offences.

Andrew Bridgen: I thank the Minister for that answer. However, considering that the weather in much of December was so severe that it had a major impact on economic growth in this country and caused major disruption to the transport infrastructure, does he agree that VOSA should have a much more flexible and business-friendly attitude to conducting roadside checks, when hauliers and transport operators are struggling to supply the economy during severe weather conditions?

Norman Baker: I sympathise with my hon. Friend's point, and he may be happy to know that VOSA did take a pragmatic approach to enforcement during the recent unusually difficult weather. In fact, in December 2010 it carried out only 60% of the tests it carried out in 2009. It has also taken account of a number of relaxations that the Government have made to drivers' hours regulations because of the weather, and it has had regard to the inevitable delays that such weather can cause to journeys. However, we must ensure that all journeys on our roads are safe.

Kerry McCarthy (Bristol East) (Lab): The Minister will be aware that there is real concern among staff who work at VOSA that the testing transformation programme, with the move towards private sector test stations and the closure of the VOSA test station network, is privatisation by the back door. Will he tell the House why there is such a push towards private sector test stations, and will he confirm that privatisation is not on the agenda?

Norman Baker: I assure the hon. Lady that the objective of the change is to make the arrangements more accessible. That, not her rather lurid explanation, is driving the changes.

Topical Questions

T1. [36313] **Mark Lancaster** (Milton Keynes North) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Transport (Mr Philip Hammond): Since I last answered questions, I have published details of our proposed route for high-speed rail, launched the local transport White Paper, including the bidding guidance for the £560 million local sustainable transport fund, set out our proposals for reforms to the rail franchising system, which will deliver better value for money for taxpayers and better service to passengers, and announced tough new measures to tackle uninsured driving.

Mark Lancaster: Investment in the west coast main line is most welcome but mainly benefits long-distance travellers, while short-distance travellers remain overcrowded. Is there any light at the end of the tunnel for Milton Keynes commuters?

Mr Hammond: There are two separate lights at the end of the tunnel—*[Interruption.]* Neither of them is a train coming the other way. First, as my right hon. Friend the Minister of State said earlier, 106 additional Pendolino carriages for the west coast main line have been ordered and will come into service in 2012. Secondly, as the proposed HS2 line, if approved, is built it will provide massive additional capacity on the London-west midlands route, and capacity will be freed up for new high-speed, longer-distance commuter services from places such as Milton Keynes to London.

John Woodcock (Barrow and Furness) (Lab/Co-op): Ministers have spent weeks creating confusion over fuel prices. Will the Secretary of State say what he plans to do to help hard-pressed motorists? If he is so concerned now, will he say whether he thought it was fair to impose a VAT hike on fuel just three weeks ago?

Mr Hammond: The hon. Gentleman is a spokesman for a Government who proposed the fuel price increases that are now coming into effect, and who were planning to put VAT up, as we discovered from leaked documents before the general election. I am pleased to say that it is not my business to do anything about this, as it is a matter for the Chancellor of the Exchequer.

T3. [36315] **David Morris** (Morecambe and Lunesdale) (Con): Some 84% of rail users are currently satisfied with their service. Does my right hon. Friend agree that that is welcome news, and will she elaborate on that statement?

The Minister of State, Department for Transport (Mrs Theresa Villiers): Obviously, we welcome the positive response from the Passenger Focus survey. We are aware that there is always a need to improve provision of services on the railways, and that is one of the main reasons why we are supporting the work of the McNulty review to get costs down, to make it easier to deliver the improvements that people want.

T2. [36314] **Mr Dave Watts** (St Helens North) (Lab): Has the Department carried out a study of the likely effects of massive rail and bus fare increases on the number of people who are able to use such services in the future?

Mr Hammond: The Department did, of course, carry out the usual equalities impact study that is required, before making the proposals. There is a hidden premise behind the hon. Gentleman's question. Nobody increased rail fares ahead of inflation happily or gladly. The decision whether to protect the planned investment in reducing overcrowding by delivering additional rolling stock, or to scrap that programme, was a difficult one. We decided to protect investment for the medium and long term, and unfortunately that means three years of further above-inflation rail fare increases.

T4. [36316] **Richard Harrington** (Watford) (Con): Many of my constituents and those of other Members were severely disrupted by the effects of the weather on airports in London and elsewhere. Does the Minister agree that the Civil Aviation Authority needs more powers to assess the situation and hold airport operators to account?

Mrs Villiers: My hon. Friend has raised an important issue. There was real concern about the way in which Heathrow dealt with the severe weather. That is one of the reasons for our plans to reform airport regulation, which include a new licensing system that will indeed give the CAA more powers to ensure that airports are properly prepared for winter.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The marine environment is dangerous, and we are fortunate to have Stornoway coastguard, which is based in my constituency. However, I have been told that the Government's reorganisation proposals are not accompanied by any proper risk assessment. Is that true?

Mr Hammond: Of course the proposals have been risk-assessed. They have been around for more than two years, since before the general election, and there is a long slow-burning fuse behind them. They are now out for consultation, and the hon. Gentleman can and, I am sure, will make forcefully the case for retaining the station in Stornoway.

T5. [36317] **Mr Robert Buckland** (South Swindon) (Con): Can the Minister give us a likely date for the decision on electrification of the Great Western line to Swindon and beyond?

Mrs Villiers: My hon. Friend is a staunch campaigner for further electrification. We have already announced electrification of the lines to Oxford, Newbury and Didcot, and we will shortly announce what further electrification of the Great Western line can be achieved in co-ordination with the linked inter-city express programme.

Andrew Miller (Ellesmere Port and Neston) (Lab): You will recall, Mr Speaker, the procedural exchange that you and I had earlier this week about the failure of the Department for Transport to answer questions about

river and port pilotage. The first question has now been answered inaccurately; as for the second, the Department refuses to publish the advice that it has received. This is a fundamental matter of safety. Will the Secretary of State examine it personally and review the decision to refuse to publish the information, in order to give us confidence that our pilots are properly trained?

Mr Hammond: I am not aware of the written answer to which the hon. Gentleman refers, but I will look it up when I return to the Department, and I will write to him.

T6. [36318] **Mark Pawsey** (Rugby) (Con): In my constituency, an average of 27 people a year are killed or seriously injured in crashes involving young people. That includes a tragic accident over the Christmas period involving a friend of my son. Graduated driver licensing, enabling a new driver to proceed to a full licence over a period, has been shown in many countries to reduce the number of casualties in that vulnerable group. What discussions has the Secretary of State had about introducing such an approach to improving road safety in this country?

Mr Hammond: My hon. Friend will know that the United Kingdom actually has an enviable record on road safety. Many of the countries that operate graduated licensing suffer worse safety records than the UK. Our policy is to avoid additional regulation whenever possible, and we would be very concerned about imposing any regulation that reduced the mobility of young people who had acquired driving licences, because of the impact that it would have on their participation in the labour market and in further and higher education.

Dame Anne Begg (Aberdeen South) (Lab): Apropos the disruption at Heathrow, the temperature has dropped again today. Ministers need not go abroad to find examples of the way in which airports can cope with snow. Aberdeen airport, which is also owned by BAA, managed to cope perfectly well with 2 feet of snow, while Heathrow was closed for nearly two weeks because of 2 inches of snow. What guarantee will the Government give passengers—not just those like me, but the many people who travel through Heathrow, which is one of the major hubs—that such disruption will not occur again?

Mrs Villiers: We must be realistic. When the weather is as severe as that which we witnessed before Christmas, there is bound to be some disruption. I pay tribute to airports such as Aberdeen, which worked very hard to deal with it—as did Gatwick—but we must recognise that Heathrow airport faces special challenges that make it tougher to respond to such conditions. Heathrow is conducting a review, and the Department is carrying out an investigation through the South East Airports Taskforce. There may be lessons that we can learn from measures taken by other transport systems, such as the imposition of emergency timetables when severe weather seems likely to reduce capacity significantly.

T7. [36319] **Nicky Morgan** (Loughborough) (Con): Some of the residential areas in Loughborough face considerable pressure on parking as a result of having houses occupied by students, each of whom brings a car to the town. Can the relevant Minister confirm that under this Government local councils, communities and universities will continue to be able to implement local solutions that suit the local needs of the town?

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I am happy to give that assurance. The whole thrust of the Government is to free up councils, remove regulations and make it easier for councils to reach the correct arrangements in conjunction with their communities.

Mark Tami (Alyn and Deeside) (Lab): I heard what the Minister said about uninsured drivers, but what thought has he given to requiring drivers to put details of their insurance on the car windscreen, which works well in a number of other countries?

Mr Hammond: The hon. Gentleman may know that the Department has introduced a programme of rolling monitoring of insurance, where anyone whose vehicle is uninsured now has to make what is, in effect, a statutory off-road notice declaration. The police will have access to the database and will be able to monitor, in real time, whether vehicles are insured or uninsured. That will give rise to a much more effective level of enforcement.

T8. [36320] **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): I know that the Minister is aware that Fleetwood has a railway line that has been redundant since the 1960s but which has most of its infrastructure intact. What hope can she offer my constituents that there may be a chance of reopening the line and providing much-needed regeneration to the town?

Mrs Villiers: I know that my hon. Friend has championed this cause, and I enjoyed my visit to the disused rail line. Programmes such as he outlines can confer significant local benefits, but it is primarily for the local authorities to identify the funding to restore railway lines and, importantly, to identify the funding for any ongoing subsidy that is needed. Local authorities may well wish to consider those options in order to enhance economic growth in their areas.

Grahame M. Morris (Easington) (Lab): What assessment has been made of increasing fuel prices and the rising costs of motoring in rural areas, particularly for lower-income households?

Mr Hammond: No specific assessment has been made by my Department, but I can tell the hon. Gentleman that independent assessments suggest that between 1997 and 2010 the real cost of motoring has declined by 7%.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Flexible Working

1. **Julian Smith** (Skipton and Ripon) (Con): What discussions she has had with the Secretary of State for Business, Innovation and Skills on the effects on gender equality in the workplace of her proposals for flexible working. [36321]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): I have had several discussions with ministerial colleagues on these issues. Flexibility in the workplace is good for all employees—men and women. On gender equality specifically, flexible working allows many women with caring responsibilities to continue in work. Evidence also shows that flexibility is good for business and good for society. This Government are committed to extending the right to request flexible working to all employees, and we expect to begin consulting on the details shortly.

Julian Smith: Does my right hon. Friend agree that as we develop important policies in the area of equality we must avoid adding to the regulatory burden on small business? Will she listen carefully to the thousands of very small businesses in Britain that are concerned by some of these proposals?

Mrs May: My hon. Friend is a great champion of small businesses and their concerns. I hope that he will have seen from today's announcement by the Department for Business, Innovation and Skills on the issue of employment tribunals that the Government understand that there is a real difference between how small businesses can cope with regulation and that burden and how a large business with a big human resources department can cope. We have already started discussions with the Federation of Small Businesses on flexible parental leave and flexible working, and we will be taking those issues forward. We are concerned to ensure that anything we do involves the least possible administrative burden for small businesses.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): These measures on flexible working are welcome, but they will not be taken up if people are afraid that their employer can still dismiss them without any consequences. Today, the Department for Business, Innovation and Skills is announcing measures to remove protection against unfair dismissal for people who have been in jobs for less than two years. The right hon. Lady will know that women are more likely than men to be in jobs for less than two years and so, once again, they will be harder hit by these proposals. There is no sign yet of an equality impact assessment from BIS this morning. Can she tell me whether one has been done? Has BIS examined the impact on equality? What is she doing to stand up for women across the Government?

Mrs May: I remind the right hon. Lady that the Business Department is today issuing proposals, on which it is consulting, on the future of employment tribunals. It is important that we take action on employment tribunals, because I have discovered from my discussions with businesses that they are often wary of issues such as flexible working and the extension of flexible working, precisely because of the tribunal costs that they could incur, were those regulations to be put in place. The right hon. Lady asked what I was doing to stand up for women. We are going to extend the right to request flexible working to all, which is more than her Government did.

Trafficking (Women and Girls)

2. **Pamela Nash** (Airdrie and Shotts) (Lab): What steps she plans to take to address the trafficking of women and girls. [36322]

The Minister for Equalities (Lynne Featherstone): Policy responsibility for human trafficking rests with the Minister for Immigration. Combating human trafficking, including the sexual exploitation of women and girls, is a key priority for the Government. We are committed to tackling organised crime groups who profit from this human misery, and to protecting victims. Tackling organised immigration crime, including trafficking, is a high priority for the Serious Organised Crime Agency, of which the UK Human Trafficking Centre is now part.

Pamela Nash: I thank the Minister for her answer, and I appreciate that this subject also falls under the category of immigration. Given that the European Union directive on trafficking would ensure that the UK provided further protection and support for victims, does she agree that we should enter into that commitment without further delay?

Lynne Featherstone: We have said all along that we would look at what was happening in the European directive. The wording was decided on the 13th, and the member states are now deciding whether to opt in or not. When that has happened, we will take a look, and if there are further things that we think would be helpful, we will make a decision then.

Mr Peter Bone (Wellingborough) (Con): I welcome the Government's review of the policy on human trafficking. Will the Minister tell us whether all non-governmental organisations with an interest in this field, including the all-party parliamentary group on human trafficking, are being consulted on the review?

Lynne Featherstone: As far as I am aware, the NGOs are being consulted, although there is not a public consultation.

Fiona Mactaggart (Slough) (Lab): The Minister says that her Government are making anti-trafficking a high priority. Now that the directive has been completed, is she seriously saying that she is going to wait for other states to make a decision before Britain does so? Should not we be in the lead on this issue? The directive has been supported by Members of the European Parliament of all parties represented in this House. Is it not time for her to adopt the directive? If she is not planning to do so yet, will she tell us why not?

Lynne Featherstone: We have to look at it and then make our decision. On 14 October, during the anti-slavery day debate, the Minister for Immigration announced a new strategy to tackle human trafficking that involved disrupting the practice in the country of origin and on the border, as well as supporting the victims. We will have to see what the EU directive adds or does not add, and we will make our decision in due course.

Corporate Boards (Women)

3. **John Glen** (Salisbury) (Con): What steps she plans to take to increase the number of women on corporate boards. [36324]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): Lord Davies has been appointed by the Government to look at how obstacles can be removed to allow more women to make it on to corporate boards. We look forward to his recommendations for a business-led strategy, and we will respond in due course. Measures that we are taking, such as flexible working and shared parental leave, will also help to address some of the barriers to progression that women face in the workplace.

John Glen: A recent Crown Prosecution Service report by Dr Catherine Hakim found that women were more likely to reach the top in business in countries such as the United States, where there are relatively few female-specific employee rights, as opposed to Scandinavian countries, which have lots of parental leave and much more job segregation. Will the Government consider putting much more emphasis on support in the workplace, rather than having a quota system, which many women find demeaning?

Mrs May: I am grateful to my hon. Friend for pointing out that there is varied experience across the world with regard to what works in ensuring that women can get to the top. The Government have no intention of introducing legislation on quotas in this area. We will listen to what Lord Davies says, and I have been party to some of the round-table discussions that he has had. From what I have seen so far, I am sure that he will come forward with some very practical ways in which we can help to unlock the barriers to women reaching their place on corporate boards. It is this Government's firm determination to do more to ensure that more women are on corporate boards.

Mr Denis MacShane (Rotherham) (Lab): Will the Minister for Women and Equalities confirm that this great panjandrum Lord Davies, who is going to get more women on to boards, is a man?

Mrs May: Yes.

Civil Partnership Ceremonies

4. **Bob Blackman** (Harrow East) (Con): What her policy is on the hosting of civil partnership ceremonies in religious establishments. [36325]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): In June 2010, the Government published "Working for Lesbian, Gay, Bisexual and Transgender Equality", which made a commitment to talk to interested groups about what the next step should be for civil partnerships, including on this issue. The Government have held a number of meetings on the topic with various groups, including those representing faith groups, lesbian, gay and bisexual people and the registration service. We will announce the next steps in due course.

Bob Blackman: I thank my right hon. Friend for that answer. Many religious groups are openly hostile to the concept of civil partnerships because it offends their religious doctrine. Lord Alli's amendment in the other place would permit ceremonies within religious establishments. Will my right hon. Friend confirm that the Government do not intend to introduce compulsion for religious organisations that do not want to have civil partnerships in their buildings?

Mrs May: My hon. Friend raises an important point. This was a significant part of the debate when Lord Alli's amendment to the then Equality Bill went through in the House of Lords before the general election. It is clear in his amendment that this is a permissive power, and that is the basis on which the Government are operating. We have no intention of introducing any element of compulsion. It will be for religious groups and faith groups to decide whether they wish to take up this opportunity.

Chris Bryant (Rhondda) (Lab): I do not think anybody wants a form of compulsion that forces churches to do anything they do not want to in this field. That is a bit of a red herring. The right hon. Lady has said that the Government are considering allowing the use of religious rituals, ceremony and symbols at civil partnerships. If she is going to do that for civil partnerships, may I urge her to do it for civil weddings? Many people do not want to get married in church but would none the less like to have some religious readings or music.

Mrs May: In response to the hon. Gentleman's first comment about no compulsion, I am grateful that he supports Government policy on that issue. He is right that extending the ability to have religious elements to a civil partnership ceremony or to hold such partnership ceremonies on religious premises raises an issue about the equality with civil marriage. We are taking steps as regards the Lord Alli amendment and we will make announcements in due course.

Body Image (Media Representation)

6. **Jo Swinson** (East Dunbartonshire) (LD): What assessment she has made of the effect on the well-being of women and girls of body image representations in the media. [36327]

The Minister for Equalities (Lynne Featherstone): I would like to congratulate my hon. Friend on her tireless commitment to this area of work. I, too, remain deeply worried about this issue. I have met too many people, both male and female, whose lives have been affected by negative feelings about their body shape. Recently I convened a group of experts to discuss our shared concerns and the evidence that they had assembled. I am working with them and with relevant industries to identify non-legislative ways of tackling the issue.

Jo Swinson: Girlguiding UK regularly surveys young women and girls in the country and consistently shows that girls are unhappy with the prevalence of heavily airbrushed images and the ultra-thin ideal in the media. The Committee of Advertising Practice, which sets the advertising rules, is either oblivious or complacent about this problem, however, recently stating in a letter that it has

"seen very few ads that are targeted at children which appear to have been airbrushed",

and that it does not think that this is "a widespread practice". Will the Minister reassure the House that she will not let the advertising industry get away with dismissing this issue?

Lynne Featherstone: I can assure my hon. Friend that the advertising industry is more than well aware both of her work and of the Government's intention to work with interested partners on this issue. I am sure that Members of all parties recognise that it is a real issue for girls, women and young men in this country.

State Pension Age

7. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): What discussions she has had with the Secretary of State for Work and Pensions on the effect on women of changes to the state pension age. [36328]

The Minister of State, Department for Work and Pensions (Steve Webb): I wrote to and met the Equality and Human Rights Commission during the Government's review of the increase in state pension age to 66 to ensure that equality issues were fully considered. A full equality impact assessment was also published as part of the Government's White Paper, which sets out the effect on women of changes to the state pension age.

Luciana Berger: Will the Minister please update the House on the coalition agreement, which committed to make no change to the state pension age for women before 2020?

Steve Webb: The hon. Lady is not accurately quoting the coalition agreement. My right hon. Friend the Chancellor made it clear before the election that the pension age would not be 66 for men before 2016 or for women before 2020, and we have kept to that.

Employment Law (Gender Discrimination)

8. **Mr Dominic Raab** (Esher and Walton) (Con): What steps she is taking to eliminate discrimination in employment law on the grounds of gender. [36329]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): We are committed to tackling discrimination in the workplace. The Equality Act 2010 makes it unlawful to discriminate against men or women because—the answer I have here says because of "sex at work", but I think it means on the basis of gender—or when providing an employment service. We will shortly be launching a consultation on the coalition commitment to encouraging shared parenting from the earliest stages of pregnancy, including through a system of flexible parental leave. We want to make changes to ensure that the law better supports real families juggling work and family life and helps businesses that employ them. Some interim measures are already in place. From April this year new parents will be able to share a period of paid leave through the introduction of additional paternity leave.

Mr Raab: I thank the Minister for that answer and those clarifications. Does she agree that making maternity leave transferable will help to eliminate anti-male discrimination in the workplace and will give couples greater choice in addressing the career-family balance together?

Mrs May: My hon. Friend raises the issue of work-life balance and choices for families. The introduction of flexible parental leave will do two important things. First, it will give families the choice to decide which parent stays at home to look after the child in the early stages, beyond a period that will be restricted for the mother only. Secondly, it means that, in future, employers will not know whether it will be the male or the female in front of them seeking employment who will take time off to look after a baby. I think that is an important step in dealing with discrimination. We should try to get away from gender warfare and the politics of difference, as my hon. Friend has said, but I suggest to him that labelling feminists as "obnoxious bigots" is not the way forward.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Last night's television programme "Posh and Posher" observed that there are more male Cabinet members from one Oxford college than there are women of any background in the Cabinet. Given that, does the Minister for Women and Equalities agree with the hon. Member for Esher and Walton (Mr Raab) that her work colleagues get a "raw deal" at work because of feminist "bigots" being unreasonable on issues such as equal pay?

Mrs May: I think I caught the hon. Lady's gist in relation to membership of the Cabinet, and I simply point out that she should look at the balance in the previous Cabinet under the Labour Government. The Prime Minister has made it absolutely clear that he has a commitment to ensure that a third of ministerial places are taken up by women by the end of the Parliament.

Custodial Sentences (Mothers)

9. **David Mowat** (Warrington South) (Con): What discussions she has had with the Secretary of State for Justice on custodial sentences for women with children. [36330]

The Minister for Equalities (Lynne Featherstone): No recent discussions have been held on this issue. Sentencing is entirely a matter for the courts, which take account of all the circumstances of the offender and the offence. This will include consideration of whether or not the offender is a primary carer. We have a continuing programme of work under way to divert women away from custody for those who do not pose a risk to the public. We must ensure that women who offend are successfully rehabilitated, whether they serve sentences in custody or in the community.

David Mowat: I thank the Minister for that response. She will be aware that, according to the Corston report, one third of custodial sentences for women go to women who are lone parents. That has severe knock-on effects for their children. What further guidelines can the Minister issue in this area?

Lynne Featherstone: Yes, we have taken the Corston recommendations very seriously and we are developing a strategy to ensure that the women's estate is fit for purpose in both custodial and community settings. We are also following on with programmes to divert women away from custody: more than £10 million has been provided to deliver 44 community-based interventions for women to tackle the underlying causes of their offending as part of robust community sentencing.

Tom Brake (Carshalton and Wallington) (LD): Can the Minister say whether the Ministry of Justice is on target to reduce the number of women in custody by 400, as has previously been agreed?

Lynne Featherstone: I am not in a position to say, because I have not had that discussion this morning.

Business of the House

11.34 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business of the House for next week is as follows:

MONDAY 31 JANUARY—Second Reading of the Health and Social Care Bill.

TUESDAY 1 FEBRUARY—Conclusion of consideration in Committee of the European Union Bill (Day 5).

WEDNESDAY 2 FEBRUARY—Opposition Day [10th Allotted Day]. There will be a debate on the performance of the Business, Innovation and Skills Department followed by a debate on the future of the Public Forest Estate in England. Both debates will arise on an Opposition motion, followed by a motion to approve European documents relating to the Court of Auditors' 2009 report.

THURSDAY 3 FEBRUARY—Motion relating to consumer credit regulation and debt management, followed by a general debate on reform of legal aid. The subjects for both debates were nominated by the Backbench Business Committee.

FRIDAY 4 FEBRUARY—Private Members' Bills.

The provisional business for the week commencing 7 February will include:

MONDAY 7 FEBRUARY—Opposition Day [un-allotted day] [half day] [first part]. There will be a half-day debate on a Scottish National party and Plaid Cymru motion.

TUESDAY 8 FEBRUARY—Second Reading of the Education Bill.

WEDNESDAY 9 FEBRUARY—Motions relating to the police grant and local government finance reports.

THURSDAY 10 FEBRUARY—Motion relating to voting by prisoners. The subject for this debate was nominated by the Backbench Business Committee.

FRIDAY 11 FEBRUARY—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for 10 February will be:

THURSDAY 10 FEBRUARY—A debate on onshore wind energy.

Hilary Benn: I am grateful to the Leader of the House for his statement. Will he clarify what the rest of the business will be on 7 February, apart from the half-day Opposition debate he has just mentioned?

Last Friday, the then Member for Belfast West wrote to you, Mr Speaker, seeking to resign as a Member of Parliament, but as we know, such a letter has no effect, as the only way for a Member to resign is to apply for the Chiltern Hundreds. On Monday, the Treasury told the BBC that no such application had been received, and yet yesterday we were informed by the Prime Minister that the Chancellor of the Exchequer had appointed Mr Adams as Baron of the Manor of Northstead.

The Chancellor's power effectively to disqualify a Member must be exercised correctly. It does not seem that in this case that long-standing precedent was followed, so can the Chancellor come to the House and tell us when he received a letter from Mr Adams applying for the Chiltern Hundreds or, if he received no such application, explain on what basis he appointed Mr Adams to the post previously mentioned, given that "Erskine May" states that those offices are

"given by the Chancellor of the Exchequer to any Member who applies for them"?

Does the Leader of the House agree that it is time we changed these ancient ways of enabling Members to step down and moved to a simple system whereby a Member can write to you, Mr Speaker, to resign?

Last week, the Leader of the House said in answer to a question that

"this Government did something that the previous Government refused to do—we set up the Backbench Business Committee"—[*Official Report*, 20 January 2011; Vol. 521, c. 1025.]

I gently point out to him, in the interests of accuracy, that the decision to set up that Committee was in fact taken by the House on 4 March 2010, when we were in government and Members agreed to a motion moved by my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman).

Can we have a debate on the Government's handling of the economy? Only a few weeks ago, the Chancellor assured us that the recovery was on track. On Tuesday, we discovered that growth has in fact stalled. The Chancellor blamed the snow. It is not the wrong kind of snow; it is the wrong kind of policies. That is why the outgoing director general of the CBI, Sir Richard Lambert, this week warned that the Government have no strategy for growth and criticised Ministers for being

"careless of the damage they might do to business and to job creation"

Yesterday, George Soros said that the cuts could not be implemented without pushing the economy into a recession. Is it any wonder, therefore, that families up and down the country, who are worried about their jobs, rising prices and falling incomes, are beginning to ask themselves whether this lot know what they are doing?

Can we have a debate on the shambolic way in which the counter-terrorism review has been conducted? Last Thursday, the Immigration Minister promised that the draft emergency legislation on detention would be placed in the Library of the House. It has still not appeared. Will the Leader of the House tell his colleagues that when they promise to put something in the Library, Members expect it to be available soon? It is now all too obvious that that legislation is not ready.

In opposition, the Lib Dems criticised the Labour Government's approach to dealing with terrorism and made another of those firm pledges—a firm pledge to scrap control orders. In the past few weeks there has been a lot of bravado briefing by the Deputy Prime Minister, promising that the orders would go, yet what was announced yesterday? Control orders by another name—with curfews replaced by "overnight residence requirements". Liberty is very unhappy this morning, saying that control orders have been "retained and rebranded". Why has that happened? Because the Government have rightly recognised that there is a threat to the public from which we need to be protected, and the responsibility that comes from being in government has finally dawned even on the Deputy Prime Minister.

Following the release of the extraordinary photographs showing the dismantling of the £4 billion fleet of Nimrod long-range reconnaissance and surveillance aircraft, which

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will then apparently be sliced up in an industrial shredder, can we have a statement from the Secretary of State for Defence on the letter that the six former defence chiefs have sent today, describing the decision to destroy the aircraft as "perverse" and warning that it will create

"a massive gap in British security"

Finally, can we have a debate on the machinery of government? Because it is pretty clear, from what has been going on this week, that this Government are not actually very good at governing.

Sir George Young: I am grateful to the right hon. Gentleman for his points. The business for the week after next is always provisional and changes are made, so at this stage I cannot announce the business for the second half of that Monday, but it is unlikely to be Government legislation.

On the substantive issue the right hon. Gentleman raises about Gerry Adams, as the right hon. Gentleman said, Gerry Adams wrote on 20 January making it absolutely clear that he wanted to relinquish his seat and stand in the Irish general election. As Gerry Adams should have known, a Member of Parliament may not resign; there are no means by which a Member may vacate his or her seat during the lifetime of a Parliament, other than by death, disqualification or expulsion. The Chancellor of the Exchequer, therefore, in line with long-standing precedent granted Mr Adams the office of profit under the Crown of steward and bailiff of the Manor of Northstead, so we delivered Mr Gerry Adams to the required destination, although he may have used a vehicle and a route that was not of his choosing.

Yesterday, Mr Speaker, you informed the House that, owing to that appointment, Gerry Adams was thereby disqualified from membership of the House by virtue of section 1 of the House of Commons Disqualification Act 1975. You also stated:

"The Chancellor of the Exchequer has exercised his responsibilities";

and:

"He has done so in an entirely orderly way."—[*Official Report*, 26 January 2011; Vol. 522, c. 405.]

During the subsequent exchanges, Members raised the hypothetical possibility of a future Chancellor appointing a Member without a firm application for a relevant post from that Member. I find it inconceivable that such a situation would occur; it is a matter of constitutional principle that a Chancellor does not act without an unambiguous request from a Member to relinquish his or her seat. In this case, that request was a letter of resignation. In addition, there is a protection in the form of provision in the 1975 Act for a Member not to accept any office that would lead to his or her disqualification. I have to say in response to the right hon. Gentleman's final point on the matter that this law on resignation from the House has served us well for 260 years—and the Government have no plans to change it.

On the right hon. Gentleman's next point, I am amazed that he raises the issue of the Backbench Business Committee. The Parliamentary Secretary, Office of the Leader of the House of Commons, my hon. Friend the Member for Somerton and Frome (Mr Heath), and I consistently raised the previous Government's failure to enact the establishment of such a Committee, but my predecessor as Leader of the House refused to bring forward the relevant motions, so it was indeed this Government who established the Backbench Business Committee. I am surprised that the right hon. Gentleman ventures into that territory.

On the economy, if only the right hon. Gentleman's party had bequeathed to the coalition what we bequeathed to Labour in 1997, we would not face the problems that we face today. We bequeathed a golden inheritance: fast growth, falling unemployment and decreasing inflation. Let us compare that with what Labour left behind: a trillion pounds of debt for the first time ever, the largest deficit in the G20 and in our peacetime history, and the deepest and longest recession in the G20. He quoted Richard Lambert, who also said that

"the tax and spending policies of the last Government created a substantial structural deficit...That's what made substantial spending cuts inevitable, irrespective of who won the last election."

He went on to say that

"public finances in the UK are in a mess, to a degree that threatens our long-term economic stability."

On counter-terrorism, the Home Secretary made a statement yesterday, as the right hon. Gentleman knows, and answered some of the questions that he has raised. The Government will subject draft emergency legislation on 28-day pre-charge detention to pre-legislative scrutiny. That is currently being drafted and will be deposited in the Library of the House shortly. I was here when my hon. Friend the Minister for Immigration made the statement last week. He did not give a specific time when the draft legislation would go into the Library. We will set out the suggested approach for the scrutiny when the draft Bill has been completed, although that is, of course, a matter for the House.

The decision to cancel the Nimrod project was not taken lightly by Ministers and service chiefs. It is a consequence of the £38 billion deficit in the defence budget that we inherited from the outgoing Government. The project was nine years late and involved a cost increase of 300%. None of the nine aircraft was operational, only one was fully constructed and that one had not passed its flight tests. The cancellation will save £2 billion over 10 years. Since the Nimrod MR2 was taken out of service by the previous Government in March last year, the impact has been mitigated by the use of other military assets, including Type 22 frigates, Merlin anti-submarine helicopters and Hercules C-130 aircraft, and by working with allies and partners where appropriate.

Several hon. Members *rose—*

Mr Speaker: Order. A great many right hon. and hon. Members are seeking to catch my eye, and I should like to accommodate them all. Single, short questions and the characteristically pithy replies of the Leader of the House will be essential if I am to have a reasonable chance of doing so.

Nicola Blackwood (Oxford West and Abingdon) (Con): My constituents in Oxford West and Abingdon value their library services greatly, not just for lending, but for the role that they play in their communities. I have received hundreds of letters and e-mails about the proposals to close the Summertown, Botley and Kennington libraries

in my constituency. The recent Westminster Hall debate showed that there is interest in this subject from both sides of the House. Will the Leader of the House provide Government time for a debate not only on the cultural and community value of libraries, but on how we can continue to support them in the difficult economic climate bequeathed to us by the previous Government's irresponsible fiscal policies?

Sir George Young: I am grateful to my hon. Friend. There was a debate in Westminster Hall on library services on 25 January, and she might like to look at that. I spent three years at Oxford and I am afraid that I did not spend nearly as much time in the libraries as I should have.

Public libraries are a hugely valued service, which allows free access to information and services. It is important that her local authority has a strategy for any reorganisation of its library service, which takes into account the needs of local people and the views of the local Member of Parliament. As she may know, the Secretary of State has residual powers. She may wish to contact him if necessary.

Natascha Engel (North East Derbyshire) (Lab): The Backbench Business Committee now meets on a Tuesday at 1 o'clock. As a result, far more Back Benchers come to the Committee with ideas about what debates we should schedule. Another result is that more Back Benchers are asking us why we continue to have to schedule debates on a Thursday. Of the 13 and a half days of debates that we have held in the Chamber, one has been on a Monday, two and a half have been on Tuesdays—two of which were end-of-term debates—and 10 have been on Thursdays. Will the Leader of the House please consider giving us days in different parts of the parliamentary week? Will he also say when he will come up with an answer on how many additional days the Backbench Business Committee will be given to allocate to Members as a result of the extension of the parliamentary timetable?

Sir George Young: I am grateful to the hon. Lady for all the work that she is doing with her Committee, and I note her public service announcement about the new time for that Committee's meeting. About one in three of the days that we have allocated have not been Thursdays. We should not devalue Thursdays—they are important days. However, I understand her request and I hope shortly to be able to make some progress and to shift the centre of gravity a little away from Thursdays. On her final point, we will be having discussions, not only on the allocation of Backbench business time, but on Opposition days and private Members' days, to reflect the likely extended length of the Session, subject to the Fixed-term Parliaments Bill going through.

Tim Farron (Westmorland and Lonsdale) (LD): I have in my hand a piece of paper, which is the written statement on the future of the public forest estate in England. Does the Leader of the House share my disappointment, and that felt by all of us who are committed to saving the public forests, that there was not an oral statement? Will he explain why there is not to be a debate in Government time on the future of that valuable public asset?

Sir George Young: I understand my hon. Friend's strong feelings on the matter. The Public Bodies Bill is currently in another place, and I hope it will reach this House once the Lords have sorted themselves out. There will be an opportunity then for him to speak on that specific issue, but as I have just announced, there will also be an Opposition day debate on it next Wednesday. I hope that he has read the written ministerial statement and seen that we are ensuring that public benefit is written into the change. The Government have no plans for a widespread disposal of assets in order to raise money. We want community trusts and local organisations to take ownership of some of our valuable woods.

Mr David Winnick (Walsall North) (Lab): Instead of farcical exchanges about stewards and barons in relation to resigning from the House, would it not be better, as my right hon. Friend the Member for Leeds Central (Hilary Benn) has suggested, and as I did yesterday, if a simple letter of resignation were sufficient? Why should we keep a procedure simply because it has been in existence for the number of years that the Leader of the House mentioned?

Sir George Young: For the last 13 years we had a Modernisation Committee and, to my knowledge, not once did it consider the procedure for resignation, so it clearly did not think that it was a priority. The procedure has worked perfectly well for 260 years, and given all the pressures on the House's time, I wonder whether we should really give priority to this matter.

Mr Edward Timpson (Crewe and Nantwich) (Con): In Crewe and Nantwich, many families lost significant fees and deposits that they had paid to their children's nurseries, and had major disruption to their child care arrangements, when the company running them went bust recently. May we have a debate to discuss how parents can be better protected in such circumstances rather than being left exposed both financially and in their home environment by finding themselves in a long queue of creditors?

Sir George Young: I am very sorry to hear of the plight of those who have paid up front for child care or nursery places and then found that the provider has gone into liquidation. I shall raise the matter with ministerial colleagues at the Department for Business, Innovation and Skills, who have responsibility for the Insolvency Service, and I would point my hon. Friend's constituents to the local authority's family information service, which may be able to help find alternative places for those who have been affected.

Mr Nigel Dodds (Belfast North) (DUP): May we have a debate on the prerogative powers of the Chancellor of the Exchequer? Given that the Leader of the House informed us earlier that there is provision in legislation to refuse appointment to an office of profit under the Crown, will he confirm that since Gerry Adams—or Baron Adams, as he is better known now—has now been disqualified, it follows that he has indeed accepted Crown office?

Sir George Young: The right hon. Gentleman is venturing into territory that is occupied by you, Mr Speaker, and you made the announcement yesterday evening. Under

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the House of Commons Disqualification Act 1975, there is provision to refuse office. No refusal was received, so it was deemed to have been accepted.

Priti Patel (Witham) (Con): The Leader of the House will be aware that yesterday afternoon, the Parliamentary Assembly of the Council of Europe debated and voted on a report containing scathing criticism of the UK for not granting thousands of prisoners their apparent right to vote, and recommending tougher sanctions against the UK Government in respect of the implementation of decisions of the European Court of Human Rights. In view of that, will he explain what action the Government are taking to ensure that decisions concerning our judicial system will be made in Britain by British law-makers?

Sir George Young: I am grateful to my hon. Friend. As I announced a few moments ago, there will be an opportunity for the House to debate the issue shortly in Backbench Business Committee time, and the relevant motion is now on the Order Paper. I have seen the report to which she refers, and it actually sets the UK apart from the other states mentioned. It calls on us to implement the judgment of the ECHR on prisoner voting, and notes that the Government have announced that they will do so. We are bound by that judgment and take our legal obligations seriously, but as I have said, we will listen very carefully to the debate in a fortnight's time.

Angus Robertson (Moray) (SNP): The wasteful destruction of the Nimrod fleet leaves a hole in national security and in the communities around RAF Kinloss, where it should be based. The Secretary of State for Defence assured me personally that the review of military bases would be concluded within weeks of all military recommendations being made at the end of February. We now learn, however, that it has been put back to the summer. That will cause untold economic uncertainty and damage to defence-dependent communities such as Moray, so may we have a full statement and a debate in Government time on the delay and on what concrete financial support the UK Government will provide immediately?

Sir George Young: I understand the hon. Gentleman's deep concern. There will be Defence questions on Monday, at which he might have an opportunity to raise the matter. As he knows, we have concluded that RAF Kinloss and two other bases are not required by the RAF. The review to which he refers is now under way and will assess the overall needs of our armed forces, the long-term future that the bases may have and what alternative military requirements they could meet. I understand the urgency of an early decision, and I will pass that on to my right hon. Friend the Secretary of State for Defence.

David Tredinnick (Bosworth) (Con): The mess in Parliament square is now the subject of part 3 of the Police Reform and Social Responsibility Bill, but as that Bill cannot possibly become law before Easter, will my right hon. Friend consider asking for it to be split? Having taken advice from the Clerks, I understand that it is in order to split the Bill in Committee, so that part 3 could make its own way through both Chambers in that time.

Sir George Young: I will put that proposition to my right hon. Friend the Home Secretary, whose Bill it is. My hon. Friend will know that Westminster city council is taking action, which I am sure he welcomes, to remove the tents that are out there. I understand that notices have been served, and I hope that follow-up action will be taken by the courts, and if necessary by the police.

Thomas Docherty (Dunfermline and West Fife) (Lab): The Leader of the House is fully aware of the deep angst on both sides of the House about yesterday's shambles over the resignation of the former Member for Belfast West. Will he ask the Northern Ireland Office to confirm what role, if any, it played in persuading the Chancellor to take the unprecedented steps that we saw yesterday?

Sir George Young: I reject the assertion that what happened yesterday was unprecedented. There are precedents for Members who write in to resign without specifically asking for Crown office to then be appointed, so what my right hon. Friend the Chancellor did was perfectly correct in delivering the hon. Member's wish to resign, and he followed precedent.

John Stevenson (Carlisle) (Con): In the coalition agreement, there is reference to giving Select Committees, the obvious example being the Treasury Committee, the power to approve senior appointments. There is also reference to constitutional change—in other words change to the House of Lords. Given both those points, has not the time now come for the appointment of members of the Supreme Court to have parliamentary approval? Will the Leader of the House agree to a debate on that important issue?

Sir George Young: I understand my hon. Friend's interest in the matter, but I believe that that would run the risk of politicising judicial appointments. He may have seen the Government's response to the report of, I believe, the Liaison Committee. We are perfectly prepared to broaden the range of appointments that require pre-appointment approval by Select Committees, but my right hon. Friend the Lord Chancellor stated before the Lords Constitution Committee on 19 January that he was against such an approach in the case of the Supreme Court because of the risk of politicising judicial appointments.

Hugh Bayley (York Central) (Lab): This morning, the Yorkshire regional flood defence committee was told that the budget for capital works for flood protection would be reduced by 27%, as a result of which no new flood protection schemes will go ahead in Yorkshire for the foreseeable future. Both the Prime Minister and the Chancellor said that flood protection money would be protected, so may we have an urgent debate to discuss a supplementary estimate to ensure that sufficient funding is made available in Yorkshire and elsewhere?

Sir George Young: The hon. Gentleman will have an opportunity to raise his concerns this time next week, at Environment, Food and Rural Affairs questions. The

Government have had to make some difficult decisions on public expenditure because of the situation that we inherited.

Elizabeth Truss (South West Norfolk) (Con): Since October, the people of Terrington St John have been forced to use a mobile surgery while a fully kitted-out GP surgery lies empty nearby. Will the Leader of the House ask for a statement from the Secretary of State for Health about how he will address the issue, which is creating distress, inconvenience and cost for local residents?

Sir George Young: I understand my hon. Friend's concerns, which I will share with the Secretary of State for Health. I understand that Norfolk primary care trust has reopened negotiations with the two GPs who own the now disused St John surgery building, with the clear aim of reaching a settlement which would allow the new GP practice to move in.

Mr Dennis Skinner (Bolsover) (Lab): Whatever happened to the oral statement on the wholesale privatisation of forests? Sure we could have expected an oral statement on that matter today. Will the Leader of the House answer the questions? Is it going to be a free-for-all? Will the sleazy bankers be able to buy up large chunks? Shall we have a Fred-the-Shed Goodwin memorial park? Will the supermarkets be allowed to buy: Tesco—"Buy two forests, get one free"?

Sir George Young: The short answer is no, no and no. It sounds as though the hon. Gentleman has not read the consultative document. It is not a statement of Government policy. Under the previous regime, the Forestry Commission disposed of some 25,000 acres without the sort of precautions that we are including in the Public Bodies Bill.

Jo Swinson (East Dunbartonshire) (LD): The Leader of the House is to be congratulated on introducing the motions to implement the Wright Committee reforms, such as setting up the Backbench Business Committee, which is widely agreed to be a success under the leadership of the hon. Member for North East Derbyshire (Natascha Engel). Given that success, will the right hon. Gentleman say what progress he is making on another Wright reform—creating a House business committee, so that transparency and democracy can be brought to scheduling Government business?

Sir George Young: The House business committee was another commitment to which the previous Government refused to commit themselves. We are committed to it, and it will be introduced within three years of this Parliament. We want the current regime to run for about a year, when we will review it and then have serious discussions about how we move to stage 2 —the House business committee, which will merge my responsibilities with those of the Backbench Business Committee, so that one Committee will deal with the future business of the House.

Kevin Brennan (Cardiff West) (Lab): May we have a debate on the Government's use of Orwellian language? We have had doublespeak and newspeak, and now we have Mayspeak in the Home Secretary's renaming as the "Freedom Bill" a measure to keep people under surveillance, and renaming curfews "overnight residence requirements". Is it true that she is to rename electronic prisoner tags "involuntary pagers"? Frankly, we need some sort of cross-party conversation, otherwise known as a debate, about it.

Sir George Young: The hon. Gentleman reiterates an exchange that took place yesterday when his colleagues raised those points, which the Home Secretary dealt with very adequately. She has rebalanced the competing demands of liberty and security in an intelligent way. There will be an opportunity to debate the Bill to which she referred when it is introduced. The provisions may not be in the Freedom Bill.

Matthew Hancock (West Suffolk) (Con): The people of East Anglia and hon. Members of all parties were delighted when the Government decided in the spending review to dual the remainder of the A11. This morning, there was a serious accident on the A11. Can the Leader of the House therefore find time for a debate on when the improvements will begin?

Sir George Young: I am only sorry that my hon. Friend was not in his place an hour ago, when we had Transport questions. He might have been able to catch Mr Speaker's eye and ask the Secretary of State that question. [HON. MEMBERS: "He was here."] I regret his failure to do so. I will draw to the attention of my right hon. Friend the Secretary of State for Transport the concerns about road safety on the A11 and ask him to write to my hon. Friend.

Lilian Greenwood (Nottingham South) (Lab): We have already heard that defence chiefs have said that scrapping the RAF's Nimrods leaves a massive gap in British security. I listened to the right hon. Gentleman's reply to my right hon. Friend the Member for Leeds Central (Hilary Benn), but will he arrange an urgent debate in Government time to discuss the scrapping of planes that are vital to our national security and the consequences for our ability to defend our country?

Sir George Young: I understand the hon. Lady's concerns. The decision was announced in the strategic defence and security review in October. We then had a debate in Government time on precisely the issue that she has raised. The House has therefore had an opportunity to discuss our decision on Nimrod and other assets. Around £2 billion will be saved in the next 10 years by not bringing Nimrod into service. Against the background of the challenging circumstances that the Government face, we had to make difficult decisions about the defence budget.

Mr Robin Walker (Worcester) (Con): Yesterday, my hon. Friend the Member for Redditch (Karen Lumley) raised the question of school funding in Worcestershire. Although, like her, I welcome the impact of the pupil premium on our county, I am concerned that research from the campaign group F40 shows Worcestershire still languishing near the bottom of the league tables for per-pupil funding. Will the Leader of the House tell me what opportunities the Government can provide to debate the need for further reform of the national funding formula?

Sir George Young: I am grateful to my hon. Friend. There will be a debate on the Education Bill, which could be an opportunity to raise the matter. I have also announced that we will debate the police grant and revenue support grant settlements, which may provide another opportunity. However, I agree that the system of school funding is unfair and needs reform. We are currently considering the school funding formula to develop a clear, transparent and fairer national funding formula based on pupils' needs.

Paul Goggins (Wythenshawe and Sale East) (Lab): Will the Leader of the House arrange for an urgent statement on what is to replace the education maintenance allowance? Last week, the Education Secretary made several commitments about transport costs and funding for looked-after children, students with learning difficulties and young carers. I understand that Library research, which my right hon. Friend the Member for Leigh (Andy Burnham) commissioned, suggests that fulfilling all those promises could cost as much as £420 million—three quarters of the current budget and a great deal more than the discretionary fund so far proposed. The Education Secretary is raising expectations and causing great confusion. Will the Leader of the House arrange for him to come and explain himself?

Sir George Young: My right hon. Friend the Secretary of State for Education will come and explain himself on Monday week, when he answers questions. We have just had a debate on the EMA, so it would not be realistic to expect the Government to find another opportunity, and I am not sure whether the right hon. Gentleman will be able to raise the issue that he has just mentioned on Second Reading of the Education Bill.

Gavin Barwell (Croydon Central) (Con): In the light of the incredible assertion by the shadow Secretary of State for Education that the Government's focus on young people getting a good GCSE in English, maths, a science, a humanity and a foreign language is elitist, will my right hon. Friend assure me that the debate on the Education Bill will give us the chance to discuss the incredible lack of faith in our young people?

Sir George Young: My hon. Friend makes a powerful point, which I hope that he will be able to make at greater length and with even greater force when we debate the Education Bill, if he is successful in catching your eye, Mr Speaker.

Mr Frank Roy (Motherwell and Wishaw) (Lab): The Leader of the House will recognise the good work that the staff of Remploy do throughout the United Kingdom. Will the Government give time for a debate about what they can do to help relations between staff and management, which are obviously in a bad way, and to find out why the staff have now been waiting nearly a year for last year's pay rise?

Sir George Young: I understand the important issue that the hon. Gentleman raises. I do not know whether he is able to go to the Backbench Business Committee next Tuesday and submit a bid for a debate on that important matter, or apply for an Adjournment debate or a debate in Westminster Hall.

Charlie Elphicke (Dover) (Con): In the light of the shadow Chancellor's assertions that we should have a splurge of new borrowing and spending, may we have a debate on interest rates? Low interest rates keep my constituents in their homes and help small business keep ticking over. It is important for the House to explore whether interest rates would be raised by the Opposition's policies.

Sir George Young: My hon. Friend raises an important issue. Our success in tackling the deficit means that the interest rate regime will be lower than it otherwise would be. If we listened to Opposition Members' policies, there would be a real risk of interest rates increasing, and home ownership, investment—and, therefore, jobs—becoming more difficult. I would welcome such a debate.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Leader of the House will be aware of some disquiet among Welsh farming unions and the Welsh Government about the UK Government's position on CAP reform. Will he ask the Secretary of State for Environment, Food and Rural Affairs to make a statement on progress on developing a negotiating position that takes account of the devolved Governments' views?

Sir George Young: I will give my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs advance notice that, next Thursday, she is likely to get a question from the hon. Gentleman on those issues. I will see that she is well briefed.

Dr Julian Lewis (New Forest East) (Con): May we have a statement from the Defence Secretary on the possibility of preserving a proportion of the withdrawn Harrier jump jets on the basis that, over 10 years, some form of conflict might arise unexpectedly, in which the versatility of those valuable aircraft would be needed?

Sir George Young: There will be an opportunity on Monday to raise that matter with the Secretary of State for Defence. I understand that following the strategic defence and security review, the Harrier aircraft were retired from service on 15 December, and that at the moment, there are no plans to retain them as a reserve or emergency capability. The decision to retire the fleet was agreed collectively by the service chiefs. As I said, my hon. Friend will have an opportunity on Monday to share his concerns with my right hon. Friend the Defence Secretary.

Kate Green (Stretford and Urmston) (Lab): Will the Leader of the House arrange a statement on the replacement for the financial inclusion fund, which funds independent advice agencies to give debt advice, and which we have learned will close at the end of March? That means that the local citizens advice bureau in my borough of Trafford will be forced to reduce the number of cases that it can handle by 500. Please can we urgently be told what Ministers intend to do to ensure that good-quality debt advice can be continued?

Sir George Young: The hon. Lady is quite right that the Government have decided that the fund to which she refers will be wound up. We are in the process of

developing a free, national finance advice service, and I should like to write to her, or to ask the Minister responsible to do so, with further details of that service.

Mr William Cash (Stone) (Con): Given the remarks of George Soros yesterday and today on the failure of the economic governance arrangements, will the Leader of the House be good enough to arrange a debate on the reasons for our low growth? They are connected with the failure of the EU and the failure to repatriate powers. Repealing EU social and employment legislation would enable our own small and medium-sized businesses to grow.

Sir George Young: I say to my hon. Friend that I honestly think I have provided enough time for the House to debate matters related to the EU. I see that a high proportion of the time that we have made available has been occupied by him—*[Laughter.]* I mean no discourtesy. The answer is that I will not provide at this stage additional time to debate the matter he raises.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): Liverpool city council workers have today been told the terrible news that 1,600 people are to made redundant as a result of the Government's 22% cut in its funding—that is the hardest hit to any core city. The council has been praised by the Government for the action it has taken to cut the pay of senior managers and reduce administrative costs, but it has so far been unable to secure the Government's agreement to spread the cuts over the spending period to protect front-line jobs. Instead, harsh, front-loaded cuts are being imposed. May we please have an emergency debate on the impact that the Government's front-loaded spending cuts are having on employment and local economies?

Sir George Young: I understand the hon. Lady's concern, and when we debate the local government revenue support grant, she will have an opportunity to raise it. However, the plans of the previous Chancellor were for cuts only £2 billion lower than the coalition cuts next year, so the sort of challenges faced by her local authority would have arisen whoever had won the last election.

Sajid Javid (Bromsgrove) (Con): On Tuesday this week, the Office for National Statistics released a devastating economic figure—the revision of our national debt to £2.3 trillion, which at 155% of gross domestic product is higher than that of Portugal, Ireland, Greece and Spain and equal to that of Lebanon and Jamaica. Does my right hon. Friend agree that that is the true economic legacy of the Labour party, and may we have a debate on it?

Sir George Young: I would welcome such a debate. My hon. Friend may have seen in *The Independent* today that the public have no confidence in the Labour party to run our economy. The previous Government's efforts to forecast growth over the past 13 years—they were out by, on average, £13 billion—are the reason why we now have independent forecasts from the Office for Budget Responsibility. We lost confidence in their forecasts.

John Cryer (Leyton and Wanstead) (Lab): May we have a debate on the Business Secretary's plans to make it easier to sack people and more difficult to retain the services of employment tribunals, which were announced this morning? That will profoundly affect a very high proportion of employees, particularly in constituencies such as mine, where a number of people are already on very insecure terms of work.

Sir George Young: There will be a debate on BIS next Wednesday. However, the current regime actually deters potential employers from taking people on, because of the circumstances that surround their potential dismissal. I honestly believe it right to try to recalibrate the balance of power between employer and employee, in order to encourage employment and remove one of the barriers to it.

Alun Cairns (Vale of Glamorgan) (Con): Will the Leader of the House allow a debate on the progress made on rebalancing the economy? Some excellent manufacturing output data were published recently—they showed strong growth over the last two quarters—and such a debate would give the House an opportunity to reflect on them.

Sir George Young: There have indeed been some very encouraging manufacturing figures, to which my hon. Friend refers, and some buoyant export orders, which I also welcome. Coupled with our proposals to cut corporation tax and cancel the increase to employers' national insurance contributions, and other steps to promote growth and prosperity, the background that he outlines gives us reasons for optimism.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Scotland's other national drink, IRN-BRU, is headquartered and housed in Cumbernauld in my constituency. It provides hundreds of good local jobs, but the company tells me that it is being affected deleteriously by the substantial increase in the price of sugar over time. May we have a debate on the impact of rising commodity prices on British consumers and British industry more widely?

Sir George Young: My hon. Friend the Deputy Leader of the House advises me that that company has today announced record profits. I am delighted that it has managed to overcome the rise in commodity prices. I do not know whether with a bit of ingenuity the hon. Gentleman could develop his point at greater length in the debate on the Scotland Bill later today.

Neil Carmichael (Stroud) (Con): In the light of the situations in Tunisia and Egypt and the Foreign Secretary's visit to Syria, would it be possible for the House to debate foreign policy on north Africa and the middle east?

Sir George Young: I understand my hon. Friend's request. He may have heard the Foreign Secretary speak on precisely those issues on the "Today" programme. We have no plans at the moment for such a debate.

[Sir George Young]

Perhaps the Backbench Business Committee could see whether, among all the bids it receives, there is a slot for a debate on foreign affairs in its future programme. The debate on Afghanistan in the autumn was greatly welcomed, and I hope that the Committee can find a slot for a debate on north Africa and the middle east. My hon. Friend might like to go along next Tuesday and make a bid for such a debate.

Diana Johnson (Kingston upon Hull North) (Lab): Even during the recession, the UK film industry has proved to be very successful. Most notably, "The King's Speech" has 12 Oscar nominations and receipts to date of—I think—$108 million. May we have a debate on whether the Government's plans for the UK Film Council are the very best way of nurturing this country's film industry in such a competitive worldwide market?

Sir George Young: I will raise the hon. Lady's concerns with my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport and ask him to write to her, but I commend the work of Colin Firth, Tom Hooper and the others who made "The King's Speech", and I wish them all the best in their bid for Oscars in the near future.

James Morris (Halesowen and Rowley Regis) (Con): Given the urgent need to rebalance the economy, especially in areas such as the west midlands, may we have an urgent debate to discuss what the Government are doing to support and develop manufacturing businesses in the black country?

Sir George Young: I understand my hon. Friend's concern. We have acted to improve the environment for manufacturers both nationally and in the midlands through lower and simpler business taxes, investment in apprenticeships, creating wider access to finance, a Government-wide commitment to boosting exports, the £1.4 billion regional growth fund and other improvements. I hope he will intervene in the debate next Wednesday to develop his arguments further.

Mr Denis MacShane (Rotherham) (Lab): Last week, the Leader of the House rather brushed aside my request for a debate on Tunisia, but following on from the question asked by the hon. Member for Stroud (Neil Carmichael), the House must debate more frightening revolutionary changes. A thousand people have been arrested in Egypt and others have been killed. The world is changing fast and we are not debating it in the House. The Government's decision on the BBC World Service shows the shrinkage of Britain's influence and status around world. Do not put it off to the Backbench Business Committee or to Foreign Office questions next week. Let us discuss foreign policy seriously in this House of Commons.

Sir George Young: The right hon. Gentleman says, "Don't put it off to the Backbench Business Committee," but in my view, the House took the right decision when it decided that the Government should no longer have an exclusive monopoly on what subjects were debated. That is why at least 35 days a year are given to the Committee, leaving the Government with responsibility for the legislative programme. It is up to the right hon. Gentleman and my hon. Friend the Member for Stroud (Neil Carmichael), who feel strongly about foreign affairs, to go and make their pitch to the Backbench Business Committee to try to secure time for such a debate.

Mr Rob Wilson (Reading East) (Con): The previous Labour-run local authority in Reading has left huge debts of several thousands of pounds for each of my constituents. May we therefore have a debate in Government time to look at these irresponsible levels of local government debt?

Sir George Young: I am sorry to hear of the legacy bequeathed to my hon. Friend's constituents. As I announced a few moments ago, there will be a debate on the revenue support grant on Wednesday week, and I hope that that will be an opportunity for him to raise those issues at greater length.

Grahame M. Morris (Easington) (Lab): In answer to a written question, the Minister of State, Department for Business, Innovation and Skills, the hon. Member for Hertford and Stortford (Mr Prisk), confirmed that the Government are likely to spend more than £100 million a year on redundancies and cancelling operating contracts made by the regional development agencies. May we have an urgent debate on the impact of scrapping the RDAs in terms of cost to the taxpayer, the impact on growth and the loss of support for functions such as regeneration, which will not be continued by the LEPs?

Sir George Young: I believe that the replacement of the RDAs by local economic partnerships will save money and be more effective. I will ask my hon. Friend to write to the hon. Gentleman about the £100 million.

Harriett Baldwin (West Worcestershire) (Con): I note that the outrageous filibustering tactics of Labour Lords in the other place have still not been brought under control by the Leader of the Opposition. Will the Leader of the House please let us know when we might have a chance to debate the amendments to the Parliamentary Voting System and Constituencies Bill?

Mr Speaker: Order. Before the Leader of the House replies, I wish to say that I recognise that there are real tensions between the two Chambers on this matter, but I remind the House—and this may be of particular benefit to new Members—that we must preserve some basic courtesies in the way in which we deal with the other place, as we expect them to do with us.

Sir George Young: I hope that the Leader of the Opposition will make contact with his supporters in the other place and ensure that that House is not brought into further disrepute by the tactics that are being adopted. The Government very much want to make progress with the legislation. That is our intention and I hope that there will be reflection over the weekend. The second Chamber is a revising Chamber, and I know that it would want to think very carefully before it blocked a Bill that had received the support of this House.

Henry Smith (Crawley) (Con): Last Thursday evening it was my pleasure to take part in the Gatwick Diamond young start-up talent event, which is a "Dragons' Den"-style event for young people with entrepreneurial ideas. Can we find time for a debate, perhaps through the Backbench Business Committee, to discuss ways in which we can better help young people with entrepreneurial ideas to get ahead?

Sir George Young: I understand my hon. Friend's concern, and I was delighted to hear about what happened. We are putting more resources into apprenticeships and the enterprise allowance scheme. We have made a change this week to the amount of time young people can spend on work experience without losing access to benefits and we are introducing the new Work programme. I hope that we can reduce the large number of young unemployed that we inherited from Labour and encourage them to become entrepreneurs.

Christopher Pincher (Tamworth) (Con): Will my right hon. Friend ask the Chancellor to make a statement on deficit reduction, which would give the House an opportunity to hear what progress is being made? It would also give the shadow Chancellor an opportunity to clarify his Bloomberg speech and state clearly whether he remains a deficit denier.

Sir George Young: It is very important that we establish whether the shadow Chancellor is on the same wavelength as his leader on deficit reduction. On that point, I was interested to see that the former Chancellor under the last regime said that the key to getting growth in the long term is first to get the deficit down. That is not exactly what the Leader of the Opposition said yesterday.

Mr Peter Bone (Wellingborough) (Con): Yet another of the Government's excellent moves to put Parliament first is to allow Government Back Benchers free votes in Committee. When the BlackBerrys go off now notifying a Division, we are not told how to vote. We are no longer lobby fodder. May we have a statement next week from the Chief Whip so that this policy can be expounded further and he can get the congratulation that he deserves?

Sir George Young: I would not wish to raise my hon. Friend's expectations by suggesting that my right hon. Friend the Chief Whip has any plans to come along. In any case, I do not think that my hon. Friend was ever regarded as lobby fodder.

David Mowat (Warrington South) (Con): In 2004, the Lyons report on property strategy, as updated last year by Smith, said that significant savings could be made by transferring up to 15,000 civil servants out of London to the regions. May we have a statement from the Minister for the Cabinet Office on the Government's property strategy and their progress on this issue?

Sir George Young: I understand my hon. Friend's concern. It is indeed our policy to continue to decentralise from London wherever feasible. I will ask my right hon. Friend the Minister for the Cabinet Office to write to my hon. Friend with details of how we are getting on with our proposals.

Guy Opperman (Hexham) (Con): The renewable heat incentive scheme has been delayed again. When will we have a decision on this and, more specifically, may we have a statement on the point?

Sir George Young: I understand my hon. Friend's concern. We are committed to a massive expansion in renewable energy and supporting renewable heat is an integral part of that. We expect to be in a position to announce shortly the details of the scheme, including renewable heat incentive tariffs and technologies supported, and for it to be open for business later in the year.

Bob Blackman (Harrow East) (Con): Two NHS trusts in my constituency are considering merging. Their letter notifying me of their actions so far reads like a script from "Yes, Prime Minister". The "options appraisal" leads on to "a Strategic Outline Case" to be followed by the "Outline Business Case", which will become "the Full Business Case", which then may or may not lead to a consultation with the public. All that will entail enormous amounts of bureaucracy and consultants, which will take money that should be spent on patient care. Can my right hon. Friend facilitate a statement on doing away with this bureaucratic nonsense and getting the money spent on the front line?

Sir George Young: My hon. Friend will know that there is a Health Bill before the House at the moment. It is the intention of the coalition Government to do away with the bureaucracy that he mentions and put the resources into front-line care. He gives a graphic exposition of where economies can be found.

Andrew Bridgen (North West Leicestershire) (Con): Will the Leader of the House allow time for a debate on economic confidence, especially in light of this morning's ComRes poll, which clearly shows that my right hon. Friends the Prime Minister and the Chancellor are far more trusted on the economy than their shadows?

Sir George Young: My hon. Friend draws attention to the poll in today's edition of *The Independent*. My own view is that until Opposition Members accept some responsibility for what went wrong, they will have no credibility with the general public.

Mr Graham Stuart (Beverley and Holderness) (Con) *rose—*

Mr Speaker: The hon. Gentleman assures me that he was present at the start of the business statement. I am grateful for that confirmation and I wish to hear him.

Mr Stuart: I am grateful, Mr Speaker, although disappointed that you did not notice me from the beginning. After a collapse in manufacturing employment over the last 10 years or so, there are optimistic signs, not least in Hull, where Siemens is investing in a major renewable energy plant that may employ 10,000 people or more. Other companies are following. May we have a debate on the infrastructure to support that development? The Humber offers huge economic opportunity for this country and we need to ensure that we have the infrastructure in place to support it.

Sir George Young: The regional growth fund is set up precisely to support infrastructure in areas such as Hull, and there will be a debate in Opposition time next Wednesday when my hon. Friend may have the opportunity to raise that point. It is worth reminding the House that the Office for Budget Responsibility has forecast an increase in employment of 1.3 million over the lifetime of this Parliament, which puts some of the debate on the economy in a more glowing perspective.

Mr Speaker: I am grateful to the Leader of the House and to colleagues for their co-operation, as a result of which, after the exchanges between the Front Benches, 47 Members were able to contribute in 42 minutes. I am very grateful.

Points of Order

12.28 pm

Mr Brian H. Donohoe (Central Ayrshire) (Lab): On a point of order, Mr Speaker. In an answer by the Leader of the House about employment tribunals, he said that all would be revealed next week. I have asked questions of the Ministry of Justice to elicit information about the number of people who have been unfairly dismissed with between one and two years' service and have gone to a tribunal. I was told that the answer could not be given without disproportionate cost. Surely that is wrong if we are to debate that subject?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order, which of course requires a ministerial reply. I do not know whether he was seeking to elicit something from the Leader of the House, who is welcome to comment, but under no obligation to do so.

The Leader of the House of Commons (Sir George Young): I will pursue this matter with my right hon. Friend the Secretary of State for Justice, but it has always been the practice that where an answer would require disproportionate resources, an answer is not provided.

Thomas Docherty (Dunfermline and West Fife) (Lab) *rose—*

Mr Speaker: The morning would not be complete without a point of order from the hon. Member for Dunfermline and West Fife (Thomas Docherty).

Thomas Docherty: On a point of order, Mr Speaker. Further to business questions earlier—obviously, we have not yet had a chance to see the official record—I think that I am right in saying that the Leader of the House appeared to indicate that you, Mr Speaker, had some discretion on whether the Member for Belfast West (Mr Adams) had resigned his seat by his new appointment. There clearly continues to be dissatisfaction with the whole process. What options are available to Members of the House to have a proper and thorough discussion of the whole sorry affair?

Mr Speaker: I am grateful to the hon. Gentleman for his point of order. All I want and need to say is that the notification of the disqualification of a Member appears on page 641 of yesterday's *Votes and Proceedings*. I have nothing further to add to my ruling yesterday, and there are no procedural issues within my discretion on which I can rule. Doubtless, these matters will continue to be discussed, but there are no issues to be decided now.

Dr Julian Lewis (New Forest East) (Con): Further to that point of order, Mr Speaker. Is there any way in which I can, within the rules of order, place on the record my appreciation of the fact that Gerry Adams might not have wanted to accept the authority of the Crown when entering Parliament, but evidently has had to accept its authority in order to leave Parliament?

Mr Speaker: The short answer is no, but the hon. Gentleman has done so anyway.

Scotland Bill

Second Reading

Mr Speaker: I have to inform the House that I have selected the amendment on the Order Paper.

12.32 pm

The Secretary of State for Scotland (Michael Moore): I beg to move, That the Bill be now read a Second time.

Over the past decade, the devolution of power and decision making from this Parliament to the Assemblies of Wales and Northern Ireland and to the Parliament in Scotland has transformed the constitutional arrangements of the United Kingdom. With this Bill, we begin a new phase of devolution in Scotland—a phase that we enter with cross-party support and the support of individuals and organisations across the country. The Scotland Bill is, of course, an important step in the coalition Government's programme to modernise and reform the United Kingdom's constitution, but its origins lie in the Scottish Parliament itself and in the support given by the previous Government, which I am happy to acknowledge. The Scotland Bill will further empower the Scottish Parliament and make it more accountable to those who elect it. In doing so, it will strengthen Scotland's position within the United Kingdom.

Let us reflect on how we got here. The late Donald Dewar famously said, while quoting from the first line of the Scotland Act 1998:

"'There shall be a Scottish Parliament'...I like that".

He was not alone. His sentiments were, and continue to be, widely shared in this House and throughout Scotland. It is important to pay tribute to Donald Dewar for his historic role in shaping modern Scotland. He was a true statesman, serving both as Secretary of State for Scotland and as Scotland's original First Minister. In the creation of the Scottish Parliament, he has a fine legacy. However, he would have been the first to insist on recognising the countless others, across different parties, and, crucially, from many different backgrounds in Scotland, who patiently built the case for devolution over many years, indeed decades. Likewise, we should acknowledge those in this place, the Scottish Parliament and beyond who supported the early years of the devolved institutions, building their capacity and establishing their credibility. Today, we build on that work.

When taking the original Scotland Bill through this place, Donald Dewar said that the creation of a Scottish Parliament was not just for Scotland. Nor was it just routine tinkering with the detail of our political system. Rather, it was a fundamental, radical reform of the UK's constitution. After more than a decade of devolution, the Scottish Parliament is firmly established as part of the fabric of Scottish life. More than that, however, devolution—not just in Scotland, but right across the United Kingdom—is now part of our national life too. The Parliament was established to bring power closer to the people of Scotland, to make government more responsive to their needs, and to put their priorities at the heart of Scottish governance. It has succeeded: decision making on education, health and the environment, among many things, is closer to the people whom those decisions affect. The experience of Scottish devolution has changed the terms of the debate. Few would seriously now argue that there should be no Scottish Parliament.

The Bill builds on the achievements of the 1998 Act and on the experience of devolution, and it further strengthens Scotland's place within the United Kingdom. Just six months after being elected, we introduced the Scotland Bill on St Andrew's day. In doing so we made good the Government's formal pledge, in our programme for government and the Queen's Speech, to implement the recommendations of the Commission on Scottish Devolution—the Calman commission, as it is more commonly known. However, this was not our commitment alone. The Labour party also pledged in its manifesto to implement the commission's recommendations, and I welcome its ongoing support without seeking to compromise Labour Members' important role in scrutinising the detail of the Bill. Once again, however, measures brought to the House on a major piece of Scottish constitutional legislation are founded on support from across the Chamber and within Scotland.

After the first decade of devolution, it was right to review the Scotland Act, to assess how devolution was working, and to ensure that the Scottish Parliament had the right powers to deliver for people in Scotland. In December 2007, the Commission on Scottish Devolution was established by a vote in the Scottish Parliament. Chaired by Professor Sir Kenneth Calman, the commission included Conservative, Labour and Liberal Democrat representatives, but it was independent of any political party and embraced representatives from business, education, the wider public sector and across civic Scotland. It gathered evidence from a wide range of sources and engaged directly with people in Scotland and elsewhere in the United Kingdom, through detailed consultation, public engagement events, oral evidence from a spectrum of interests in Scottish public and business life and survey evidence. Let me record my thanks to Professor Sir Kenneth Calman and his commissioners for their thorough, inclusive and well-evidenced work. I would also like to acknowledge the impressive and detailed work of Professor Anton Muscatelli and the independent expert group on finance, which supported the commission.

The commission's final report was submitted jointly to the Scottish Parliament and the UK Government in June 2009, and was widely welcomed. Based firmly on the commission's findings, the Scotland Bill seeks to implement its key recommendations. The commission's first and overarching conclusion was that devolution had been a real success; that it was here to stay; and that the balance between reserved and devolved policy powers and functions was, broadly, in the right place. However, it also concluded that there was a shortcoming in how the Parliament was funded, specifically in terms of accountability. At the centre of the commission's report and the Bill, therefore, are measures to improve the financial accountability of the Scottish Parliament.

The Scottish Parliament can determine policy on a wide range of subjects and how and where money is spent, but at present it cannot be held effectively to account for raising the money it spends. The commission recognised this imbalance. The Bill addresses that imbalance by providing a package of taxation and borrowing powers that will see the Scottish Parliament become accountable for more than a third of the money it spends. In doing so, the Bill represents the largest transfer of fiscal powers from central Government since the creation of the United Kingdom. It is a radical but

[Michael Moore]

responsible step. Most significantly, we will create a Scottish income tax. We will create that tax by cutting 10p off the basic, higher and 50p rates for Scottish taxpayers, adjusting the block grant in proportion and allowing the Scottish Parliament—indeed, obliging it—to apply a Scottish income tax at a level of its choosing to meet its spending plans.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Can the Secretary of State tell me and those who have asked me to probe this point what will happen when companies in my constituency or those across the whole of Scotland are paid from south of the border? How will that problem be overcome?

Michael Moore: The hon. Gentleman makes a very fair point. Let me reassure him, first, that we have given a lot of attention to the technical issues of implementation, both in a high-level implementation group and, now, technical groups led by Her Majesty's Revenue and Customs, which are looking at all the different issues. The good news is that the software systems that were created for employees paying the Scottish variable rate under the original legislation were future-proofed and can identify Scottish taxpayers on the payrolls, wherever the company's head office is, ensuring that the identification of taxpayers is made as painless a process as possible and that the right amounts of tax are taken.

Mr Donohoe: But what happens—this is the question that has been asked of me—when the person is domiciled both in Scotland and in England?

Michael Moore: They cannot be domiciled in both places. A person's status as a Scottish taxpayer will be determined as set out in the Bill. If the hon. Gentleman looks more closely at the detail, I hope that he will be reassured.

Gordon Banks (Ochil and South Perthshire) (Lab): Before the Secretary of State moves on from this point, can he outline to the House what he expects the costs to the Scottish Government to be of the annual adjustment from HMRC? What will the cost of the variable tax rate be to the Scottish process?

Michael Moore: I do not know whether the hon. Gentleman is asking what the costs of running the system will be, but if he is, the draft regulatory impact assessment—I do not know whether he has had a chance to look at it yet—sets out our provisional estimates of the marginal costs of creating this functionality in the system. They are £45 million, with annually recurring costs of around £4 million. However, I should say to him—I am grateful for the chance to emphasise this—that a lot of that will depend on the detail that the Scottish Government and other stakeholders wish to see on documentation such as P60s. That will influence where those costs fall.

Mr Frank Doran (Aberdeen North) (Lab): Following the point that my hon. Friend the Member for Central Ayrshire (Mr Donohoe) made, I can see that there will be formulae for different categories of employees. As a Member of Parliament who is based here in the House of Commons and whose main home is in London, I want to be taxed in Scotland, but will the Bill allow that?

Michael Moore: Unfortunately for the hon. Gentleman, he will have to pay the Scottish rate of income tax. Parliamentarians are obliged to pay it regardless of where their main home might be.

As I was saying, the new powers will give Scottish Ministers and the Scottish Parliament a much more significant stake in the performance of the Scottish economy. The level of the Scottish rate will be Scotland's to decide, and those who set the rates will answer directly to those affected by them. Power will rest with the Scottish people. In addition to income tax, the Scotland Bill will devolve to the Scottish Parliament responsibility for stamp duty land tax and landfill tax. That will complement its policy responsibilities for housing, planning and the environment. The Bill will also allow the Scottish Parliament to propose new devolved taxes, to sit alongside the other powers. However, the fiscal powers are not limited just to tax; they extend to borrowing powers, too. The Bill will allow Scottish Ministers to borrow up to £500 million for current spending when tax receipts fall short of those forecast.

Angus Robertson (Moray) (SNP): Will the Secretary of State confirm that the UK Government are currently negotiating with the Northern Irish Government about the devolution of corporation tax powers to Northern Ireland? Why would a UK Government consider that appropriate for Northern Ireland but not for Scotland?

Michael Moore: I would not characterise those discussions as negotiations per se, but people have certainly been raising possibilities in connection with what taxes might be suitable for other parts of the United Kingdom. As I have said, our proposals in the Bill are founded on careful consideration, and on impressive and important academic research that made it clear that if we wish to preserve the United Kingdom—I understand that the hon. Gentleman does not—we should ensure that, in increasing accountability in Scotland, we focus on income tax rather than corporation tax, and I am satisfied with that.

Stewart Hosie (Dundee East) (SNP): The Secretary of State says that all this is part of defending the Union. Obviously his colleague Tavish Scott would share his view, but in his submissions to the Steel commission and then the Calman commission he suggested devolving

"income tax; corporation tax; fuel duty...tobacco and alcohol duties; betting and gaming duties; air passenger duty; insurance premium tax; climate change levy and landfill tax; inheritance tax; and stamp duties".

Surely the Secretary of State does not disagree with his own colleague in the Scottish Parliament, does he?

Michael Moore: What I absolutely agree with is the process that we went through as three different parties that came together in the Calman commission, examining the options, scrutinising them and coming forward with a balanced set of proposals. We look forward to seeing fully costed proposals from the hon. Gentleman and his colleagues. They have had months to produce them—

indeed, years—but as yet we have seen nothing. That is something that the House will note and that will perhaps reduce the bluster on the part of some.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): To supplement the extensive list that my hon. Friend the Member for Dundee East (Stewart Hosie) read out, may I add the power of the Crown Estate being returned to the Scottish Parliament? Indeed, four or five years ago five Liberal highlands MPs supported that very proposal in a ten-minute rule Bill. Is that still the position of the Liberal party? If so, will the Liberals try to use the Scotland Bill to ensure that the Crown Estate is returned to Scotland?

Michael Moore: The hon. Gentleman is tempting me to get slightly ahead of myself. He will see the proposals that we have set out in the Bill, taking account of the evidence that was supplied to the Calman commission.

Anas Sarwar (Glasgow Central) (Lab): Does the Secretary of State agree that those Scottish National party Members who are getting animated on this issue could easily have made a submission to the Calman commission if they so wished? Instead, they stood for self-interest, rather than Scotland's interest.

Michael Moore: If I may say so, the hon. Gentleman makes the point very neatly. Like him, I await the SNP's detailed proposals on either fiscal autonomy or the Crown Estate, so that they might be debated. I believe that what we have in the Bill is the right balance, which will give Scotland the powers and accountability that it should have.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): On taxation generally, is not the lesson that we have learned, from the original Scotland Act 1998, through many Standing Orders over two Parliaments, that we are involved in an iterative process? What can be devolved should be devolved, but at a gentle pace, so that we can assimilate what has happened. In that regard, the agreement that the three parties have come to is the correct way to proceed at this time, but does not preclude further devolution when appropriate at a later stage.

Michael Moore: I quite agree with my hon. Friend, who puts his point in such an elegant way.

Sir Menzies Campbell (North East Fife) (LD): I hope that my right hon. Friend is not accusing the Scottish National party of inconsistency. Its attitude towards the Calman commission is entirely consistent with its attitude towards the Scottish Constitutional Convention, which it also declined to join.

Michael Moore: Once again, my right hon. and learned Friend puts it very elegantly.

As I was saying before that brief diversion, the fiscal powers included in the Bill are not limited to tax; they extend to borrowing as well.

John Robertson (Glasgow North West) (Lab): Will the Secretary of State give way?

Michael Moore: I had nearly got back to the point I was at, but I shall give way.

John Robertson: On that point, I listened to the Secretary of State on the "Today" programme this morning, when he spoke eloquently about who would foot the bill if borrowing went—shall we say?—awry. What is to prevent a Government in Scotland from borrowing £500 million just before they lost power, to ensure that the incoming Government were saddled with a bill they could not pay?

Michael Moore: I would hate to destroy the cross-party consensus by making any inappropriate reference to a £155,000 million deficit, so I will move swiftly on. On the technical point the hon. Gentleman raises, if he looks again at the Command Paper, he will see that there are provisions to ensure that no Government will be able simply to borrow in order to stack up a capital reserve to spend in the future or to land a subsequent Administration in debt.

Mr MacNeil: On a point of clarification, would the right hon. Gentleman like to see power over the Crown Estate devolved to the Scottish Parliament?

Michael Moore: Those provisions are not in the Bill. That case has not been put forward in detail either by the Government of Scotland, of whom his colleagues are members, or by others. If such proposals were to come forward some time in the future, there could be a public debate, but as far as the Scotland Bill is concerned, it is consistent with the Calman commission and will make sure, formally, that we have a Scottish commissioner. That will ensure that Scottish interests on the Crown Estate are well represented in future.

As Secretary of State for Scotland, I am fully aware of my role in ensuring that we keep the Crown Estate focused on its interests across the whole of the United Kingdom. I have had two formal meetings so far and another is planned. That is probably as good a record as most recent Secretaries of State. I assure the hon. Gentleman and others who are concerned about the Crown Estate that we will continue to work to make it more accountable, more transparent and more focused on Scotland's and the rest of the UK's interests.

Pete Wishart (Perth and North Perthshire) (SNP): I thank the Secretary of State, who is generous with his time. He keeps on saying that the provisions were in the Calman proposals, but only 35 out of the 63 proposals are in the Bill. Issues such as immigration, benefits, aviation and aggregates are all out. Why is the right hon. Gentleman so negative about so many of the Calman proposals, and why did he not implement those important measures?

Michael Moore: I understand that the hon. Gentleman will seek to catch your eye later, Madam Deputy Speaker. I am sure that he has studied the Command Paper along with the Bill in great detail, in which case he would have seen what we said about the aggregates levy and aviation duty. We made it clear that there is a difficulty with the aggregates levy because of issues before the courts, so it would be inappropriate to bring forward proposals at this stage. However, we make clear

[Michael Moore]

in the Command Paper our intention to devolve that area. Likewise on aviation duty, the Government are reviewing the position, and we still intend aspects of it to be devolved. It is the same with welfare. The Command Paper talks about the major reforms we are introducing and the fact that they will fully take account of devolution and reflect the spirit of what was in the Calman report. I hope that that goes some way towards reassuring the hon. Gentleman, although I suspect it will not.

Beyond the power to borrow up to £500 million for current spending, a Scottish cash reserve will be created so that the Government will be able bank and save money where tax receipts exceed those expected. These provisions will allow for effective financial management to deal with fluctuations in the new revenue stream of tax receipts.

We also set out in the Bill a brand new capital borrowing power of up to £2.2 billion. This will provide the Scottish Government with new means to invest in major infrastructure and other projects. It will be for Scottish Ministers and the Scottish Parliament to decide whether to borrow and, if so, for what purpose—a new Forth crossing, new hospitals, new schools or perhaps even a railway—and it will be for them to account to the Scottish people for those choices.

As a consequence of increasing the financial freedom and accountability of the Scottish Parliament to raise its own revenues, there will be a reduction in the existing block grant. The grant will continue to make up the remainder of the Scottish budget, however. That will ensure financial stability, it will ensure continuity of public service provision; and it will maintain the economic union that is so central to our United Kingdom. I know that views differ—both in this House, and further afield—on the broad issue of the block grant and, specifically, on the Barnett formula that underpins it. I do not expect those differences to be resolved today; indeed, the funding formula is not part of the Bill.

The Government have set out their position on the Barnett formula in their programme for government. While recognising the need to review the arrangements in time, our overriding priority is to tackle the deficit, and we will not consider a review until the public finances are returned to good health.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I welcome the fact that the right hon. Gentleman is dealing with the Barnett formula. Will there be anything in the new proposals to prevent a Scottish Government from receiving funding for one purpose and using it for something completely different?

Michael Moore: I am not entirely clear what the right hon. Gentleman has in mind, but it is the essence of devolution that the Scottish Parliament be free to spend the money it receives—either through the block grant or as a consequence of its tax-raising powers—on what it wants to spend it on.

Mr Clarke: The right hon. Gentleman might have had the opportunity to look at last week's *Sunday Herald*, which led on the issue of disabled children in Scotland and their families and carers. It pointed out that £34 million, arising from UK Department for Education funding, had been allocated, but that the money had not been received. In the new approach to these matters, will there be more accountability than can be seen in that case?

Michael Moore: First, I pay tribute to the right hon. Gentleman's distinguished career of campaigning on these issues and to all the hard work and effort he has put into that over many years. The fundamentals of devolution since 1999 mean that the Scottish Parliament and then the Scottish Government are able to decide how to spend all the revenue that comes to them, whether it be directly through the grant or, to use a shorthand term, as a result of the Barnett consequentials. The hon. Gentleman is, of course, entitled to draw a distinction between how the money is spent south of the border and how it is spent north of the border. On occasions, the advantage might be the other way round, but I am afraid that that is the essence of devolution—it is for them to decide. The Bill enhances those principles rather than claws anything back.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The right hon. Gentleman is right that the essence of devolution means that the Scottish Government should not have their funding ring-fenced, as some have suggested it should be. However, the point raised by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) related to accountability. I do not think that he was suggesting that we should ring-fence the funding transferred to the Scottish Parliament. It is a question of how there can be accountability to the UK Parliament. Perhaps there could be some way of bringing to this Parliament the ability to question the way in which money is spent by the Scottish Parliament. Intergovernmental and inter-parliamentary co-operation should allow such questioning to be pursued and, although my right hon. Friend has been trying to do that, he has not always been successful in getting the Scottish Parliament to respond.

Michael Moore: I respect the hon. Gentleman's interest in these matters and I commend the way he has followed devolution developments over the years. The primary responsibility for accountability is to the Scottish Parliament. Governments of different hues have gone before the committee system and made statements in the Scottish Parliament; there are 129 Members of the Scottish Parliament and that is their primary function. Ultimately, as in this House, all are accountable to the electorate. What we are trying to do with accountability in this Bill is enhance the financial powers so that parliamentarians in Scotland can be made accountable not just for the spending decisions, but for the tax-raising decisions that precede them.

Let me finish my point about the Barnett formula. We do not intend to alter it or review its arrangements at this time. Nothing in the Bill, however, prejudges future changes to the funding formula. Rather, the Bill's effect will be to make the Scottish Parliament more reliant on its own revenues and less reliant on the block grant to fund public spending in Scotland.

Stewart Hosie: In the Secretary of State's comments on the Barnett formula—before the interventions—he said that he would not seek to change it until the economy has returned to rude health. I presume by that

he means that this Government's priority is to tackle the deficit. I see him nodding to that. It worries me slightly, then, that the additional capital borrowing powers require a consent per project, so will the right hon. Gentleman confirm that when a good, sensible, costed project comes up looking for additional capital consent, this Government will not use the excuse of the deficit in order simply to say no?

Michael Moore: I respect the thoroughness with which the hon. Gentleman usually approaches such matters, and he has clearly spotted the bit in the Command Paper that says that, as of 2013, we will introduce the new capital borrowing powers. In the first couple of years, there will be additional Treasury constraints in relation to the feasibility and appropriateness of projects, as a precursor to those capital powers being fully available, in 2015, to the Scottish Parliament and the Government formed from it.

Stewart Hosie: The Secretary of State has not quite given me the assurance I seek. The Command Paper also says that the powers will be subject to Her Majesty's Government limits and controls. Will he confirm that the Government will not use their deficit consolidation plan as an excuse to say no to important new capital investment?

Michael Moore: I hoped that I had been clear, but I am happy to refer the hon. Gentleman back to the Command Paper, which is crystal clear on the availability of those powers from 2013, on the annualised basis set out. When the right projects are brought forward—as he and I seem to agree on this occasion, such projects will be those that help growth—such consent will not unreasonably be withheld. I hope that that reassures him.

Aside from the Government's proposals, another set of financial arguments has been put forward as an alternative to the measures in the Bill. In recent months, there has been some discussion in the Scottish Parliament and the Scottish press about other approaches to fiscal devolution, and specifically about the idea of fiscal autonomy. However, its proponents have failed to come up with any credible proposals, or indeed any detailed proposals at all, while the economic arguments advanced in support of fiscal autonomy lack any firm evidence to support them.

Stewart Hosie: This is ludicrous. The Scottish Government have published the document, "Fiscal Autonomy in Scotland: The case for change and options for reform". Saying that no work has been done is neither helpful nor accurate.

Michael Moore: The essence of debates in the House is that we are allowed to have opinions. I carefully used the word "credible", and credibility is lacking in the Scottish Government's proposals. The desperate efforts to undermine the proposals in the Bill have now been exposed for what they are.

Malcolm Bruce (Gordon) (LD): Have the Scottish Government given an indication of the share of the national debt, and the share of the underwriting of the bankrupt Scottish banks, that the Scottish Parliament would be willing to undertake under fiscal autonomy?

Michael Moore: None whatever.

Implementing our new financial arrangements will require detailed work by the United Kingdom Government, the Scottish Government and a range of other stakeholders. We will approach the task in a carefully planned and phased way. The Bill provides the overall framework for the new arrangements, but more than legislation alone will be needed to give effect to the measures set out.

Mr MacNeil: On fiscal autonomy, how is it that tiny places such as the Faroe Islands, with a population of 48,000, and the Isle of Man, with 100,000, have infinitely more power than the Scottish Parliament, which represents more than 5 million people? Does the Secretary of State not see an anomalous situation there? The Scottish Parliament could easily have fiscal autonomy and control our fuel price, which in the Hebrides is £1.45 a litre, but in the Faroe Islands is £1.10 and 94p for petrol and diesel respectively.

Michael Moore: If the hon. Gentleman wishes to make his case in that way, people may or may not pay attention to him. What I am suggesting is based on Scotland's size and where it is within the United Kingdom. I respect the fact that he and I fundamentally disagree about our vision for the future of Scotland. Those of us who are committed to the United Kingdom want a sustainable new financial basis on which Scotland is part of the Union. We believe that the Bill provides that basis, unlike the proposals that his party advocates.

The Bill and the Command Paper are not just about finance. The Calman commission examined the whole of the devolution arrangements and found that the division of policy responsibilities in the original Scotland Act worked well. It did, however, make recommendations to improve it further, which are reflected in the Bill. On justice, we will give the Scottish Parliament the power to legislate on air weapons, and give Scottish Ministers the power to set the drink-drive limit and a Scottish national speed limit. On health, we will give Scottish Ministers the power to decide which doctors in Scotland should be able to use drugs for the treatment of addiction. We will give the Scottish Government a formal role in key appointments to the BBC Trust and the Crown Estate.

Mr Michael McCann (East Kilbride, Strathaven and Lesmahagow) (Lab): On the question of health, will the Secretary of State explain why the power to make decisions on abortion in Scotland will not be devolved?

Michael Moore: If I may say so, that is a delicate subject, which was debated carefully in relation to the original Scotland Act. The decision of the House at the time was that the matter would not be included within that Act, and there was no such proposal brought forward by the Calman commission or in any representations that I have received subsequently.

We will give the Scottish Parliament power to administer its own elections, processes and procedures. There are also some areas where, for good and practical reasons, the Calman commission recommended re-reservation of powers to Westminster. These, too, are included in our Bill: for example, the regulation of health care professions and corporate insolvency.

[Michael Moore]

Finally, we have taken the opportunity to address the question of the official title of the devolved Administration: "the Scottish Executive", as it is currently styled. The term "Scottish Government" has now become broadly recognised. We propose to make that official.

Gordon Banks: On the Secretary of State's comments about insolvency, the Bill seems to take responsibility for liquidations back to the UK Parliament, and I support that, but why not do the same for receiverships?

Michael Moore: The Bill reflects the balance of the representations that we have seen and the different legal basis on which matters have been approached in Scotland to date. If the hon. Gentleman wishes to make the broader case in Committee, we look forward to hearing that.

Jim McGovern (Dundee West) (Lab): On the Secretary of State's point about the change to the Scotland Act to allow "the Scottish Executive" to become "the Scottish Government", that term has been quite commonplace since the last Scottish general election. However, if there is no such thing as the Scottish Government in legislation, does he believe that the amendment tabled by the six separatists in the House is competent, as it refers to "the Scottish Government"?

Michael Moore: Far be it from me to be drawn into these matters. I can only assume that the amendment is competent, as it is on our Order Paper this afternoon. However, the common parlance is now "the Scottish Government". It will help if Government Departments no longer feel that, legally, they must refer to the Scottish Executive, when nobody else does. Also, we will be able to refer to "the Scottish Government" in the House, rather than "the Scottish Executive".

The Bill does not set out every proposal from Calman. In some cases, legislation is not required. For example, the commission recommended much closer co-operation and communication between Administrations and between Parliaments. Many of the proposals require change to working practices, to which the Government are committed. I know that Mr Speaker, the Lord Speaker and the Presiding Officer will determine the appropriate basis on which to develop relationships between our Parliaments.

In fulfilling our commitment to implement the Calman recommendations, there are some cases in which we have deviated from the precise recommendations because the policy content at UK level has changed, for example in relation to air passenger duty, which the Government are reviewing. In other cases, however, we have gone further than the commission, building on and strengthening its recommendations. This is the first time since the creation of devolution that a Government have brought forward legislation with such wide-ranging effect on the current settlement. Indeed, the Bill will fundamentally change the powers and responsibilities of the Scottish Parliament. For that reason, the Government will proceed with the Bill only with the formal and explicit consent of the Scottish Parliament. It is right and proper that the Scottish Parliament should examine the measures that we set out in the Scotland Bill. I welcome the thorough way in which it is going about its business, and I look forward to returning to discuss the provisions with the Bill Committee in the Scottish Parliament next week.

Devolution breathed new life into Scottish politics and Scottish society. It brought government closer to the Scottish people, and it shaped a more confident Scotland in a more secure United Kingdom. The Bill extends that settlement for the future. The first chapter of devolution began with the Scotland Act 1998; the second chapter opened on St Andrew's day, when we published this Bill. The Bill reflects the work of many across this Chamber and in Holyrood: work that we have undertaken together with consensus, strengthening Scotland's future within the United Kingdom. I commend it to the House.

Jim McGovern: On a point of order, Madam Deputy Speaker. I raised this point earlier with the Secretary of State. Is the amendment competent, given that it refers to a Scottish Government who apparently do not exist at the moment?

Madam Deputy Speaker (Dawn Primarolo): The amendment is in order, otherwise Mr Speaker would not have selected it for debate.

1.11 pm

Pete Wishart (Perth and North Perthshire) (SNP): Now that we have resolved that little matter, I beg to move an amendment, to leave out from "That" to the end of the Question and add:

That this House, while recognising the need to further enhance the powers of the Scottish Parliament, nevertheless believes that the measures the Scotland Bill seeks to devolve are inadequate to meet the ambitions of the Scottish Government for the people of Scotland; considers the measures relating to air weapons, road safety and drink driving to be incomplete; regrets that the Calman Commission's recommendations to devolve the aggregates levy and air passenger duty, and to devolve responsibility for the marine environment to match the Scottish Parliament's responsibility for fisheries, as well as its proposal for a Scottish role in welfare benefits, have all been abandoned; regards the proposals for the Crown Estates Commission as inadequate; deplores the proposals in the Bill to re-reserve already devolved responsibilities; concludes that the tax varying provisions would embed a long-term deflationary bias in Scotland's budget and that the proposed borrowing powers remaining subject to HM Treasury controls and limits render them insufficiently flexible; and therefore considers the Bill as a whole to be unacceptable.

I welcome the Second Reading of this Conservative-led Government's Scotland Bill, and, like my hon. Friends, look forward to debating the further transfer of powers and responsibilities to the Scottish Government. The House will find the Scottish National party a willing and diligent partner in ensuring that the Bill is debated properly. What we have seen today, however, is remarkable. We have seen a Liberal Secretary of State for Scotland lead, on behalf of a Conservative-led Government, a debate on a Conservative-led Scotland Bill that was initiated in the Scottish Parliament by a former leader of the Scottish Labour party. This is cross-Unionist consensus in all its Conservative-led glory. I believe that, given the consequent lack of scrutiny that will be offered by Her Majesty's Opposition, along with the disappearance of what remains of independent thought on the Liberal Benches, the task of scrutinising the Bill will be left to the Scottish National party. It is we who will scrutinise the Bill in the interests of the Scottish people, and we will do so most diligently and sincerely.

Malcolm Bruce: If that is the attitude of the Scottish National party, why have its members taken no part in the constitutional convention or the Calman commission over the years, and then appeared at the last minute, in a grudging and curmudgeonly fashion, to take part in a debate that they have not entered into for 25 years?

Pete Wishart: It is a matter of principle. I know that the right hon. Gentleman knows very little about principle in the context of the Liberal Democrats, but we happen to believe in independence. It may have escaped his attention, but that is what our party is all about. The fact that a reference to independence was not included in—indeed, was intentionally excluded from—the wording of the Calman report meant that if we were to retain our principled position, we could not participate. That is what we call principle, and perhaps that is a little lesson for the right hon. Gentleman.

Anas Sarwar: The hon. Gentleman has criticised the Calman process, which involved three parties working together. We rarely agree on much, but we did agree on Scotland's future. The SNP, however, had the "national conversation", which cost almost £1 million, asked only seven questions, received a grand total of 222 responses, and has not resulted in a single new power for Scotland. It was nothing more than a vanity project for the SNP. It was not a national conversation, but a national waste of money.

Pete Wishart: I thank the hon. Gentleman for his intervention.

Several hon. Members *rose—*

Pete Wishart: I will take interventions in a minute, but, if hon. Members do not mind, I will make a little progress first.

As I was saying, scrutiny will be left to the Scottish National party. Throughout the Bill's passage, we will support measures that will effectively transfer power from the House of Commons to the Scottish Parliament. We will offer solutions to the inconsistencies and problems that have been identified. We will strenuously oppose the parts of the Bill that suggest the re-reservation of certain matters such as the regulation of health professionals and insolvency. We will also strenuously oppose financial measures that would mean a cost to the Scottish people of £8 billion since devolution.

Michael Moore: Will the hon. Gentleman give way?

Pete Wishart: I will certainly give way to the Secretary of State.

Michael Moore: I want to nail this nonsense about the £8 billion. Of course it is possible to take one particular year, which happens to be the worst year in the middle of the worst recession since the war, and to make assumptions about a 20-year period on the back of it, but that is complete and utter nonsense. It is not the way the figure should be calculated. I refer the hon. Gentleman to the figures from the Scotland Office, which show a £400 million surplus.

Pete Wishart: I am grateful to the Secretary of State for that correction. He has conceded that it is possible that this could have happened. However, I heard him say on the radio this morning that the figure was not £8 billion, but £700 million. That makes it all right, does it? That is all that Scotland would have lost over the past 10 years.

Michael Moore: The hon. Gentleman is usually fair, and I should hate him to miss the opportunity to be fair on this occasion. *[Interruption.]* Okay, I am being generous.

What I was doing was correcting the hon. Gentleman's colleague in the Scottish Parliament, who had suggested that the figure could be £700 million. Again, it would depend on where the line in the sand was drawn. Conveniently, in this instance the line was drawn in 2010-11. When we roll forward to 2014-15, we arrive at a £400 million surplus rather than the nonsense of the £8 billion that the hon. Gentleman is talking about.

Pete Wishart: And the Secretary of State accuses me of being selective! It is not possible to be more selective than he has just been.

We will never agree on these issues. What we have seen as a result of the work of the Scottish Government is an £8 billion loss to the Scottish budget since devolution in 1999. The Secretary of State, making the same assumption, said that £700 million would be lost to the Scottish people over the past 10 years. That is unacceptable to us, and we will have nothing to do with it.

Stewart Hosie: I think that the Secretary of State is confused. He has talked of basing the figure on a single year, which was the worst year, and has said that there would not be an £8 billion shortfall. Of course he is right, but no one has ever said that. We are talking about the cumulative impact had the Bill been in operation between 1999 and 2011-12, not 2014-15. I am disappointed, because the Secretary of State is normally fair, but on this occasion he has failed even to understand the argument that has been advanced against him.

Pete Wishart: I am grateful to my hon. Friend, who knows about these issues and understands the difficulties that the Bill would create.

Why are we giving the Scottish Parliament new fiscal responsibilities that would damage it? That is one of the proposals that we will seek to correct during the Bill's passage. We will be making suggestions about how it could be dealt with. We are prepared to work with the Government, because we want to improve and strengthen the Bill. We want to make it a powerhouse Bill that will serve our nation and be a credit to the communities that we serve.

As we have heard, the Bill has already been debated in the Scottish Parliament, and has been subject to what has been described as an independent Bill scrutiny Committee. I certainly hope that the proceedings in the House of Commons will be a bit more useful and relevant than what we have seen in the Scottish Bill Committee thus far. We have seen a Labour convener haranguing and harassing independent witnesses, as a result of which several have decided not to take part in the proceedings because of what they feel is an in-built bias. The Scottish Bill Committee seems to be more

[Pete Wishart]

interested in considering options that are not even in the Bill than in examining the dangerous tax plans that it contains. I hope that we can do a bit better than that down here, Madam Deputy Speaker. As you know, and as we are already observing, Scottish debates in the House of Commons are always characterised by their good nature and conviviality.

Fiona O'Donnell (East Lothian) (Lab): The hon. Gentleman cannot have it both ways. He cannot say that he wants rigorous scrutiny, and then say that we were too hard on people who provided false information in support of his case.

Pete Wishart: I do not know what the hon. Lady is referring to. I have never said anything about false information.

In a spirit of consensus and co-operation, let us start with the issues on which we all agree, for obviously there are such issues. We all agree with the Secretary of State and with our Labour colleagues that devolution is, in the words of Donald Dewar, a process and not a one-off event, and that is important. We may disagree on the conclusion of that process—we believe in independence, and my Labour colleagues believe in something else—but we all agree that devolution is a process, and that we will continue to see a transfer of powers from the House of Commons to the Scottish Parliament.

A point was made earlier about the reference to the Scottish Government in the amendment. When I first came to the House 10 years ago, Labour Members were appalled at the prospect of a Scottish Government. The Secretary of State probably remembers the debates in which they expressed their view. They helpfully said, "They can call themselves 'The White Heather Club' if they want, but they will never be a Government." We are a Government now, thank goodness, and the Labour dinosaurs, some of whom I see in their places, will never go back to having an "Executive" running Scotland. That is a good thing too.

An important new development is that we all agree now that some financial powers—fiscal powers—should be devolved to the Scottish Parliament. We never had that important source of agreement before. We fundamentally disagree on the measures in the Bill, but we agree that financial responsibility should be a feature of the Scottish Parliament. I look forward to that, and that is another area of agreement. We will oppose measures in the Bill, but it is good that we now all agree that financial powers are required for the Scottish Parliament.

The most important thing that everyone in this House can agree on—this ran through everything to do with Calman—is that the Scottish Parliament has been an overwhelming success. The Secretary of State is of course right to say that there is no question—only people on the fringes of politics in this House would even suggest this—of ever going back to having no Scottish Parliament again. What typifies that more than anything is the fact that a Conservative-led Government are legislating for more powers and responsibilities to be given to the Scottish Parliament, because only 12 short years ago the Tories campaigned so energetically against the Scottish Parliament. That shows the progress that we have made, and there will be areas of agreement as we go through the Committee stage in this House.

Although we agree on many things in the Bill, there are many things with which we fundamentally disagree.

Margaret Curran (Glasgow East) (Lab) *rose—*

Pete Wishart: This is probably one of them.

Margaret Curran: The hon. Gentleman's contribution seems to contain an inherent contradiction, because he is saying that he welcomes the Government's introduction of this Bill, yet it is widely observed that they are doing this because of the work of the Calman commission and his party has criticised and refused to participate in its work. The Calman commission has led to great progress for Scotland but, yet again, the Scottish National party has opposed the Calman commission and held it back.

Pete Wishart: That was an unfortunate intervention, because I give the hon. Lady more credit than that. I was trying to think of issues on which we agreed and I thought that we would hear a more helpful intervention. It was just the Labour party resorting to type and it was unfortunate that we had to hear it.

Although we agree on much, there are a few areas where we disagree.

Mr Donohoe: Then give us some.

Pete Wishart: I will oblige the hon. Gentleman. The Bill is a massive wasted opportunity for Scotland, because so much could have been included in it and we could have done so much to improve the position of Scotland. The Bill could have included measures to help our economic performance and increase growth. The Bill seems to contain a wee modest set of proposals that lack any real ambition to propel Scotland forward; it offers few solutions to provide Scotland with what it needs to take our nation forward; and, as I have said, it offers nothing in the way of a framework to increase economic growth in Scotland.

Anas Sarwar: Will the hon. Gentleman give a direct answer to something? Why did the SNP not make a submission to the Calman commission?

Pete Wishart: The Calman commission was proposed by the three Unionist parties, and discussions have gone on all the time with the Scottish Government about implementing the Calman proposals. Who put two of the main Calman proposals—on airguns and speed limits—before the Scottish Parliament? We could have legislated on those last year. The SNP said that it was prepared to take forward the Calman proposals where they were useful and helpful to the people of Scotland. Who refused to allow us to take those proposals forward? It was the Labour party, so I will take no lessons about trying to ensure that the Calman proposals are taken forward.

Dame Anne Begg (Aberdeen South) (Lab): Does the hon. Gentlemen agree that had the SNP been more engaged with Calman and taken part in the coalition

building that was necessary to come forward with the Scotland Bill, it might have got more of its views reflected in the Bill? By not taking part in that process, the SNP ensured that those views were inevitably not considered.

Pete Wishart: Why was independence excluded in the setting up the Calman commission? Why could we not have included everything? Had we done so, everyone would have taken part and put forward their own proposals to move Scotland forward. But, with their legendary cunning, the oh-so-clever Unionists said, "How do we trap the Nats when it comes to looking at how devolution continues?" They resorted to type, as they did on the constitutional commission. These cunning Unionists sitting around the table said, "What we'll do is exclude independence from any discussion about the future of Scotland," and that is what they did.

The Parliamentary Under-Secretary of State for Scotland (David Mundell): May I ask the hon. Gentleman what happened to his party's cunning plan: the referendum on independence?

Pete Wishart: The right hon. Gentleman asks a fair question, and he will find out the response in May, when a Conservative-led Government attempt to secure and save their seats in Scotland. Then we will have a debate about full powers for the Scottish Parliament and then we will see the result in his constituency and area.

I shall try to get back to what I was discussing. Believe it or not, I was still talking about areas of agreement, although I was moving on to areas of disagreement. As I said, the Bill contains modest ambition for Scotland but it also contains a range of very dangerous tax plans that could significantly hurt the Scottish economy and short-change the Scottish people. As we have seen in today's exchanges, the tax plans are the most hotly contested, keenly debated and contentious part of these proposals. As I have said to the Secretary of State, by way of figures that he keenly and hotly disputes, this approach would have cost the Scottish people some £8 billion since the establishment of Scottish devolution in 1999. I heard him on the radio saying, "It would only have been £700 million", but what we are starting with is devolving a series of measures—

Michael Moore *rose—*

Pete Wishart: I think we have been through all this before, but the Secretary of State might want another shot.

Mr Donohoe: On a point of order, Madam Deputy Speaker. May I suggest, Madam Deputy Speaker, that you gently remind the hon. Gentleman that he should speak to his amendment? He has been talking for some 15 minutes and I have not heard anything about the amendment.

Madam Deputy Speaker (Dawn Primarolo): I am grateful for your assistance in this matter, Mr Donohoe. I will decide whether the hon. Gentleman is in order. At the moment he still is and he is taking interventions. I am listening to all the contributions keenly, and I believe that the Secretary of State was about to give a response.

Michael Moore: Thank you, Madam Deputy Speaker. The hon. Member for Perth and North Perthshire (Pete Wishart) cannot keep repeating this figure of £700 million. I was pointing out how it was slightly unfortunate that his colleague in the Scottish Parliament, Fiona Hyslop, chose to use one figure and ignore the £400 million surplus, which is the more relevant figure.

Pete Wishart: I am grateful to the Secretary of State for finally clearing that up.

I was talking about a measure that is actually a Tory budget cut to the Scottish Parliament and, unfortunately, the nodding dogs of the Labour party are supporting the Conservative-led Government's cuts and assault on the Scottish budget. Why have they taken us into this measure, which is to the great detriment of the Scottish budget? The SNP will not accept a Tory cut of this magnitude.

Gordon Banks: May I try to bring the hon. Gentleman back to his amendment, or even encourage him to start discussing it? Does he intend to vote against the Bill? After all, his amendment states that he

"considers the Bill as a whole to be unacceptable."

Is he going to support new powers for Scotland or rule against them?

Pete Wishart: Hon. Members seems to want to hear so much about our amendment. It states that the Bill is unacceptable; a cut of this magnitude to the Scottish budget is unacceptable. As I said, the SNP will scrutinise the Bill as it goes through Committee. I am not expecting any scrutiny of the Bill from Labour Members; I just expect them to sit there agreeing, complicit with the Conservative-led Government. We have tabled a reasoned amendment and, thankfully, Mr Speaker has accepted it. However, we will allow the Bill to proceed to Committee and seek to improve it there. Right now, the Bill is a broken Bill that needs to be fixed. There are serious difficulties with it and we will try to improve it. The challenge for the Labour party is this: will it support us in trying to improve the Bill?

Sir Menzies Campbell: In the interests of clarity, will the hon. Gentleman tell the House whether he intends to divide the House on his amendment?

Pete Wishart: We would not table a reasoned amendment if we did not intend to divide the House. Of course we are going to divide the House. The Bill is unacceptable, as we have said. If the right hon. and learned Gentleman wants to go home, he can do so, although I would suggest that he hang around.

Anas Sarwar *rose—*

Pete Wishart: I am going to make a bit of progress because, to be fair, I have taken a number of interventions from the hon. Gentleman.

Mrs Eleanor Laing (Epping Forest) (Con): Will the hon. Gentleman give way?

Pete Wishart: No, I am going to try to make progress, if the hon. Lady will allow me.

Mrs Anne McGuire (Stirling) (Lab) *rose—*

Pete Wishart: I will give way to the right hon. Lady later, but I now wish to get through my speech.

Parts of the Bill are unacceptable to us, but, in other ways, it is merely perplexing. We shall, thank goodness, finally get devolution on the regulation of airguns. I have campaigned on that issue, as have colleagues in the Scottish Parliament. Airguns cause such a blight to so many communities.

Anas Sarwar: Will the hon. Gentleman give way?

Pete Wishart: I want to make some progress.

Airguns blight so many communities in Scotland, but it is perplexing that we shall get devolution on all airguns except the most dangerous ones. I am sure that the less dangerous ones also have an impact on communities, but surely, by definition, the most dangerous ones must cause most of the damage. Similarly, we are going to get devolution on speed limits.

David Mundell: Will the hon. Gentleman give way?

Pete Wishart: I am going to try to make a bit of progress, even though it is the Minister's good self who wishes to intervene.

Thank goodness we are getting devolution on speed limits, because we have long argued for that. Some of my colleagues in the Scottish Parliament have campaigned hard for it. However, we find that we are not going to get control over freight, heavy goods vehicles or anything that is towing a caravan. The most perplexing thing of all—you will like this one, Madam Deputy Speaker—is that the regulation of activities in Antarctica are to be reserved to this House. Just in case anyone was in any doubt, Antarctica is now listed as being reserved to the Westminster Parliament. Colonies of penguins are already pulling down the saltire and hoisting the Union Jack in joyous celebration of that fact. Thank goodness for the Scotland Bill letting us know that fact about Antarctica!

Mrs McGuire: Will the hon. Gentleman please explain what the Scottish Government would do in their relationship with Antarctica if he had his way and the matter remained devolved to Scotland?

Pete Wishart: I know that it has been a feature of the Labour party in Scotland, particularly through its leader, to upset and antagonise friendly nations around the world. If you will excuse me, Madam Deputy Speaker, I will refrain from making any more comments about Antarctica.

How has the Bill been met in Scotland? There has been a curious sort of disappointment about it, and an "Is that it?" shrug of the shoulders. There has been no bunting hung out in the streets of Edinburgh, and no images of the Secretary of State emblazoned from the flagpoles of the nation. There is a real sense of frustration that civic Scotland has effectively been excluded from any proceedings on the Bill. We have heard many people ask why they were not consulted on it and brought on board. There has been very little consultation on the Bill, and there is a great deal of frustration about that.

This Bill is what happens when a cross-Unionist consensus gets put through the wringer by a Tory Government in Westminster. It was a Labour Government who initiated the Calman proposals, and it will be a Tory-led Government who will conclude them. In that process, the stuffing has been knocked out of some very good Calman proposals. As I have said, only 35 of the 60 proposals have survived.

Mr Donohoe: The Calman report proposed that air passenger duty should be included in the provisions, but it has been excluded for very good reasons. Can the hon. Gentleman give an estimate of the amounts that would be raised through air passenger duty from Scottish airports? And, just as an aside, can he tell us what the level of duty is at the moment for people travelling from Scotland to England?

Pete Wishart: The Secretary of State said in response to an intervention that air passenger duty could not be considered because it is being considered by Europe just now, but it was being considered by Europe when Calman was looking at these matters as well. There is no real difference between then and where we are now.

I am not just talking about aviation duty. I am talking about the fact that only 35 of the 60 Calman proposals have survived. This is a question not so much of Calman-plus, as the Secretary of State and the Liberals like to say, as of Calman-half. Useful Calman proposals such as those on the devolution of welfare measures—including much-needed measures on immigration—on the marine environment and on taxes on aviation and aggregates have been left out of the Bill. Other Calman proposals have been significantly watered down. They include the proposals on the administration of elections, which will still effectively be reserved to this House, on appointees to the BBC and on the Crown Estate, about which we have growing concerns.

We will be constructive in trying to get this Bill through, but I really hope that the Tory-led Government will take seriously our attempts to improve it. I do not know whether Labour Members will continue to be nodding dogs as the Bill goes through, or whether they will join us in trying to improve and strengthen the Bill to ensure that we get better legislation for the people of Scotland. It most definitely needs improvement if it is to meet the aspirations and ambitions of the Scottish people.

Mrs Laing: The hon. Gentleman is making an important point about the aspirations of the Scottish people. He also made an important point about the financial position. Is he arguing that £800 million—or a similar figure, whatever it might be—was spent in Scotland over the past decade and that, had the provisions of the Bill already been in place, it would not have been spent in Scotland? If that is his argument, where did that money come from?

Angus Robertson: Scottish taxpayers.

Pete Wishart: As my hon. Friend has just said, it came from Scottish taxpayers. I am grateful to the hon. Lady for asking that question, because that is exactly what would have happened: we would have been deprived of that budget if these proposals had been in place. That is why we are saying that they are so dangerous, and why they should be considered once again.

When the 1998 Scotland Bill went through, the then Labour Government were prepared to accept only one amendment. It related to the devolution of the regulation of stage hypnotists. I am sure that stage hypnotists were delighted that they were going to be regulated from Scotland. As we take this Bill through the House, let us try to do a bit better than that. The fact that we are having this debate at all shows that we are on a journey down the road of constitutional reform. We will be having the debate in the run-up to May this year, and I know where I want it to conclude. We have the opportunity to strengthen the Bill.

Anas Sarwar: The hon. Gentleman has said repeatedly that he agrees with parts of the Bill, and he accepts that 35 new powers are being devolved to Scotland, but his amendment ends by proposing that the House

"considers the Bill as a whole to be unacceptable."

Will the hon. Gentleman, who believes in independence, be voting against new powers for Scotland?

Pete Wishart: Of course we will not be voting against new powers for Scotland. We will be raising, throughout the Committee stage of the Bill, the dangerous proposed tax powers and the £8 billion that would have been lost to the Scottish people over the past 10 years had they been in place.

Mr MacNeil: Surely the big question for Labour Members is whether they want a strong Scottish Parliament to protect Scotland from any cuts that will come from the Tories and the Liberals. In the 1980s, we saw the Conservatives preferring Margaret Thatcher to independence; this time, we see Labour preferring a Tory Government to an independent Scotland. That is the reality.

Pete Wishart *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Perhaps we could now return to the amendment, Mr Wishart.

Pete Wishart: Thank you very much, Madam Deputy Speaker. My hon. Friend has made his point in his typical and obligatory forthright manner.

Mr Alan Reid (Argyll and Bute) (LD): I am not sure whether the hon. Gentleman understands the procedures of the House. Does he not realise that, if his amendment were successful, these 35 new powers would not be transferred to the Scottish Parliament? He and his colleagues are trying to prevent the Scottish Parliament from getting the new powers.

Pete Wishart: This is a reasoned amendment. We are inviting the House to look at the many difficulties in the Bill and to consider how it might be improved.

Graeme Morrice (Livingston) (Lab) *rose—*

Gordon Banks *rose—*

Pete Wishart: I will not give way because I am about to finish my speech.

We have the opportunity to strengthen the Bill, and I want Labour colleagues to work with us to—

Anas Sarwar: Will the hon. Gentleman give way?

Pete Wishart: I am about to conclude, if the hon. Gentleman will allow me.

This is clearly an insufficient Bill, a broken Bill, a Bill that does not serve the interests of the Scottish people. There are many things that we could do if we could work together, but we have to hear from Labour Members that they accept that the proposed tax powers are dangerous and that we have to do something about them. We cannot have this Tory-led Government bringing forward a budget cut in disguise. We need Labour's support if we are to try to prevent that.

Anas Sarwar: On a point of order, Madam Deputy Speaker. Before the hon. Gentleman concludes, may I point out that I do not feel he has spoken about the amendment? I wonder whether he will do that before he concludes.

Madam Deputy Speaker (Dawn Primarolo): Fortunately, it is not for the Chair to remind Members that they have not necessarily referred to every point in their amendments. Members of the House can draw their own conclusions.

Pete Wishart: Thank you very much, Madam Deputy Speaker. I am sure that the hon. Member for Glasgow Central (Anas Sarwar) will get to make his own point in his own forceful way if he catches your eye.

I was about to conclude, Madam Deputy Speaker, and I shall conclude on the subject of the reasoned amendment. I want right hon. and hon. Members to support our amendment. We want to try to improve this Bill. It is a broken Bill; it is a Bill that does not serve the people of Scotland. The tax powers will be dangerous if they are implemented. I hope that hon. Members will support our approach as the Bill goes through. Let us strengthen it and make it a powerhouse Bill that serves the people of Scotland. As it stands, it is a broken Bill that cannot serve the people of Scotland because of the financial powers in it. I urge everybody to support our reasoned amendment.

1.40 pm

Mrs Eleanor Laing (Epping Forest) (Con): It is always a pleasure to speak after the hon. Member for Perth and North Perthshire (Pete Wishart)—and sometimes at the same time as him. I always admire his passion and his genuine belief that he is doing the best thing for Scotland. I hope he does not mind me saying that his heart is in the right place, but unfortunately his head and his fiscal understanding are not.

The hon. Gentleman made some important points, particularly about tax-raising powers and the effect of this Bill. I was much perplexed by his response to my intervention a few moments ago. Whether the amount is £800 million or £600 million—or whatever the very large sum is that he and his party argue was spent in Scotland over the past decade but would not have been if the Bill had been in place—his answer was that that money came from the Scottish taxpayer. That is not correct: the money came from the UK taxpayer.

With equal passion, the hon. Member for Na h-Eileanan an Iar (Mr MacNeil), who has unfortunately just left the Chamber, begged a few moments ago that the

[Mrs Eleanor Laing]

people of Scotland should be protected from cuts. The people of Scotland cannot be protected any more than the people in the rest of the United Kingdom from the effects of 13 years of bad financial management of our country's economy by the Labour Government.

Mr Donohoe: Oh come on now, Eleanor.

Mrs Laing: The hon. Gentleman seeks to disagree with me, in a mild way and from a sedentary position, but the facts speak for themselves. The country's finances are in a mess. Yes, we all want to protect people in all parts of the country, but there is no argument for protecting Scotland to a greater extent than the rest of the United Kingdom.

Iain Stewart (Milton Keynes South) (Con): Does my hon. Friend agree that the operation of the Barnett formula in its strictest sense will protect the Scottish budget at times of reduction in the overall UK level of public spending? A population change is taken on the basis of a higher-than-average base line, so in times of public expenditure reductions, that will protect the Scottish block.

Mrs Laing: I entirely agree with my hon. Friend and I am grateful to him for making that point at this stage in the debate. I am glad to say that he is something of an expert on this subject, having been steeped in it for many years. He is absolutely right; it is also very important, for the reasons he has just stated, that we keep the Barnett formula. That is the way to protect the people of Scotland not from the effects of the Conservative-led coalition but from the effects of 13 years of Labour mismanagement of the economy.

Stewart Hosie: I am grateful to the hon. Lady, who is sadly wrong, as is her hon. Friend the Member for Milton Keynes South (Iain Stewart). Barnett is of course a convergence formula and, far from protecting in the way that the hon. Gentleman suggests, it squeezes. More importantly, the hon. Lady was making the case that we should not do things differently, but of course that is the nature of devolution. If the Scottish Government had proper fiscal and economic control, they could well take steps different from those taken throughout the UK to protect and grow the economy. What would be so wrong with that?

Mrs Laing: That is exactly why the provisions of this Bill, which give more accountability and power to the Scottish Parliament, are absolutely right. The hon. Gentleman makes a good argument in favour of the Bill.

Until a few moments ago, I was going to say that it is good to see such cross-party consensus on the Bill. Of course, we have cross-most-party consensus, but not consensus with those in the Scottish National party. We understand that however much they seem to be stepping back from their long-held belief that we ought to move towards an independent Scotland—I do not understand why they do not have the courage of their convictions and go ahead and ask the people of Scotland—they want to go on a different path from the rest of us on protecting and helping Scotland, and giving it the best chance for the future.

I want to pay tribute to Donald Dewar, who did a wonderful job in setting up the Scottish Parliament. That was not what I said in 1997 and 1998 as we debated the original Scotland Bill for hour after hour, day after day and week after week. It was strange that the hon. Member for Perth and North Perthshire said at the beginning of his speech that this Bill would not be properly scrutinised. I can assure him that those of us who spent weeks and months scrutinising the Bill that became the Scotland Act 1998 will find this nice little Bill a piece of cake in comparison. Of course it will receive proper scrutiny.

Back in 1997 and 1998, we properly scrutinised the Scotland Bill. Many of us said over and over again that the devolution settlement that was being created would not work in the long term and would have to be amended and improved. I am very pleased to see this Bill make the improvements that some of us have thought necessary for a long time.

Mrs McGuire: I am one of the campaign veterans from those long days and nights spent scrutinising the Scotland Act 1998. Will the hon. Lady remind us of the position of the Conservative party at that time? I am not sure whether it was so much about scrutiny as about opposition.

Mrs Laing: It was; the right hon. Lady is right. As I said when I paid tribute to Donald Dewar a moment ago, that was not what I said in 1997 and 1998. The position of the Conservative party at that point was to oppose devolution. Of course it was; it is no secret. I for one thought that that was the best settlement for Scotland. I appreciate, however, that the Scottish Parliament has grown in stature and become an important part of the lives of the people of Scotland. It is there, it performs an important duty and it defends the law of Scotland—the right hon. Lady will agree that I always defend that. The Scottish Parliament performs an important function in our new constitutional settlement in the United Kingdom.

Although I would originally have preferred to have seen an enormous amount of taxpayers' money saved by our not setting up the Scottish Parliament, I now appreciate—I speak only for myself, not for my party—that it performs an important duty. As I have said for more than 12 years, however, it is essential that the constitutional settlement be improved. Donald Dewar, to whom I am still in the middle of paying tribute, worked for decades to achieve the Parliament and I am sure that all hon. Members will agree how sad it is that he did not live to see the complete fruition of his labours. Had he done so and remained the First Minister for a longer term, I believe the standing and status of the Scottish Parliament would have grown more quickly. However, it is where it is now.

Mr McCann: I might not agree with the hon. Lady's view of the economic situation, but does she share my view that the difference between the parties in this House that back the Union and those on the nationalist Benches is that we want to finesse the devolution settlement to make it better, while they see this as a foot in the door to move further towards independence?

Mrs Laing: I am very pleased to agree entirely with the hon. Gentleman—this is an unusual debate.

During the passage of the original Scotland Act, many of us argued that it would work in that form only if one made the assumption, as the then Government understandably wanted to, that there would always be a Labour Government in Westminster and a Labour majority in the Scottish Parliament. That is how the settlement was set up. Now that the situation has, happily, changed, it is important that the whole constitutional settlement should be updated to take account of that.

Mrs McGuire: I respectfully suggest to the hon. Lady that that was not how the settlement was established. I do not think that any Labour or Liberal Democrat Member at that time would have expected that, for ever and a day, there would always be a convergence of the same political parties in both Westminster and Scotland. I would have hoped that the hon. Lady would give us credit for having established a far more robust devolutionary settlement than that. I think the past few months have vindicated the work that was done at that time.

Mrs Laing: It would be wrong to go back over arguments that we had more than a decade ago, but I stick to my point: it is necessary to make updates because of assumptions that were made then.

Mr Donohoe: Will the hon. Lady explain why, if the Labour party was so self-centred at that time, we allowed proportional representation?

Mrs Laing: I have never understood that and it is not for me to give the answer.

Mr Frank Roy (Motherwell and Wishaw) (Lab): The hon. Lady's memory has been clouded through the years because at no point was the Scotland Act set up for a time when there would be solely Labour government at Westminster and Holyrood.

Mrs Laing: We are going back over old arguments now. I merely make the point that we always said that the devolution settlement would have to be improved and I strongly welcome the Bill, which does improve it.

The Calman commission is to be praised for the many years of work that were undertaken and for the careful and studied way in which its proposals were brought forward. This has not been a rushed job; I pay tribute to the previous Labour Government for setting the commission up and to the current Government for taking its recommendations forward. It has produced the right answers. By giving greater power to the Scottish Parliament, the Bill also gives a greater say to the Scottish people about how our democracy works. That is the most important point. It is right that greater power should require greater accountability and responsibility, as the Secretary of State has eloquently explained. If democracy is to work properly and if the people who vote and choose a Government are to be treated responsibly and have their opinions properly translated into action, it is very important that a Parliament such as the Scottish Parliament should not only be responsible for spending taxpayers' money, but be held responsible, at least to some extent, for raising it.

I welcome the better clarification of the balance between devolved and reserved policy matters—those which ought to be taken at Holyrood and those which ought to be taken in this House. If we do not have that clarity, the whole constitutional settlement will lack the gravity I would like it to acquire, so the new clarity that comes from the Bill is very welcome.

I promise that when we scrutinise the Bill in Committee, it will, contrary to the assertions of the hon. Member for Perth and North Perthshire, be properly scrutinised, and I look forward to our scrutinising it in great detail. The best thing about the Bill and the changes it will make to the constitutional settlement is that it strengthens and entrenches Scotland's position within the United Kingdom, which most people in the House and, I fervently believe, in Scotland want to see entrenched, protected and encouraged. Although this is 27 January and not 25 January, I hope I will be forgiven for invoking the bard, as this is the week that we celebrate our national poet, Rabbie Burns. I shall not quote his best-known works, which are often so badly misquoted south of the border.

Mr Donohoe: On a point of order, Madam Deputy Speaker. I must correct the hon. Lady. Rabbie Burns was never known as Rabbie Burns. Rabbie, in Ayrshire parlance, is the village idiot: Robert was never known as Rabbie.

Madam Deputy Speaker (Dawn Primarolo): We will take that as a point of clarification rather than a point of order.

Mrs Laing: I entirely take the hon. Gentleman's point—I was being far too familiar and colloquial. Let me be more formal. This week, we celebrate the anniversary of the birth of our great Scottish national poet Mr Robert Burns, and one of his best poems makes the point that he was a true Unionist. "The Dumfries Volunteers" says clearly, at the end of its second verse:

> "Be Britain still to Britain true,
> Amang oursels united;
> For never but by British hands
> Maun British wrangs be righted!"

Long may it continue, Madam Deputy Speaker. We welcome the Scotland Bill because it totally strengthens Scotland's position within the United Kingdom.

1.58 pm

Ann McKechin (Glasgow North) (Lab): It is now more than 12 years since the then Labour Government guided the pioneering Scotland Act 1998 through this House. I was proud to join thousands of fellow Scots of different political persuasions and of none in campaigning for its creation. It was undoubtedly one of Labour's most important achievements. It has strengthened our democracy and brought government closer to the people and it works well in practice.

However, we recognised the need to review the challenges that the Scottish Parliament had faced in almost 10 years in operation—first, in how it could meet people's desire to strengthen its functions, and secondly, in how to increase its financial accountability to the people of Scotland. The resulting Calman commission report was a serious, balanced and thorough analysis of Scotland's

[Ann McKechin]

constitutional arrangements. I would like to take this opportunity to commend Sir Ken Calman and his fellow commissioners for their work and the manner in which it was conducted. Despite the fact that the call for the establishment of the commission was initiated by a clear majority at Holyrood, it was rejected by the SNP Government, who preferred instead to engage in a costly, unpopular and one-sided so-called "national conversation" on a wholly independent Scotland.

Pete Wishart: Will the hon. Lady remind us how much the Calman commission cost?

Ann McKechin: The hon. Gentleman will no doubt remind us how much his national conversation cost, which resulted in not one piece of legislation and no change for the betterment of Scotland, whereas the Bill, we recognise, will strengthen our democracy and will be to the benefit of the people of Scotland.

Pete Wishart: The Calman commission cost £614,000, which is an extraordinary amount of money. It is what David McLetchie called "unionists talking to unionists".

Ann McKechin: Sadly, the hon. Gentleman has not informed the House that his national conversation—the big blether with Alex—cost more than £1 million, and we have not had one single benefit as a result. That is a test that the very sensible people of Scotland will apply. They deserve better.

The Caiman commission agreed with our fundamental view, set out in our 2009 White Paper "Scotland's Future in the United Kingdom", that together the nations of the United Kingdom are stronger and that together we share resources and pool risks. Nowhere was that more apparent than in 2008 with the vital bail-out of our major banks by the Labour Government, which included two major Scottish institutions. The cash injected to salvage our Scottish banks was the equivalent of £10,000 for every man, woman and child in Scotland. Without the Union and the intervention of the UK Labour Government, Scotland would have been plunged into the depths of economic despair that smaller countries such as Iceland and Ireland, the previous poster boys of independence for the SNP, are sadly still suffering from.

Mr Frank Roy: Will my hon. Friend tell the House what would have happened had Scotland at that point been part of an "arc of prosperity"?

Ann McKechin: SNP Members have made no mention today of an analysis of what would have happened under fiscal independence during the period from 2007 to 2009. In fact, the SNP has produced no governmental analysis for that period. Recent estimates by experts indicated that Scottish tax income would have dropped by nearly £2.5 billion—and that includes a per capita share of North sea oil, before the Secretary of State and his colleagues on the Front Bench ask about that. The SNP Government have continually failed to produce detailed modelling of their case for separation. The analysis has to be done not only in the good times but in the bad times as well.

Indeed, the SNP's case for fiscal autonomy is so weak and unconvincing that its Ministers in Holyrood are now accused of having had to resort to playing fast and loose with the facts of economic research to substantiate any case at all. We are firmly of the view, based on sound, independent evidence, that the economic union is Scotland's greatest economic opportunity and that together we are stronger.

Let us be clear that the Scotland Bill was born of consensus and consultation and is a model example that Government should always follow, whether here in Westminster or at Holyrood, before laying legislation on such fundamental constitutional reform. While in government, we sought political consensus from the start. We initiated independent commissions and reports, embarked on a robust consultation with the public, civic society and experts, and we listened carefully when those people spoke. There is no such consensus and there was no such consultation prior to the Parliamentary Voting System and Constituencies Bill or, indeed, the Fixed-term Parliaments Bill, and the result has been rushed and biased legislation, which insults our democracy. The Tory-led Government have steamrolled those Bills through this House of Commons and into the House of Lords, showing scant regard for proper scrutiny and completely disregarding the opportunity to engage with interested parties and experts or the electorate whom they serve.

However, the Bill we are debating today is the antithesis of the Government's other shoddy constitutional efforts. On the whole, it reflects most of the Calman commission's recommendations, and accordingly there is much that we agree on. As the official Opposition, however, we will rigorously scrutinise the Bill to ensure that it represents the best deal for the people of Scotland. There are some areas of concern and issues that will require further clarification and amendment as we continue into the Committee stage, although I can assure the Secretary of State that we will not press the Antarctica clause to a vote. I am astonished that the dogma of the SNP is such that this one simple clause, which was clearly a mistake in the original legislation and has now, I understand, been corrected, will enable one of our finest universities to mount an expedition to Antarctica. Instead, the hon. Member for Perth and North Perthshire (Pete Wishart) seems to be more concerned about where the First Minister might spend his summer holidays.

Pete Wishart: I am relieved that we will see no Labour amendments on Antarctica. I am grateful that the hon. Lady said that the Labour party will be engaged in scrutinising the Bill, which is good news. What sort of amendments can we expect to see tabled in Committee?

Ann McKechin: Unlike the hon. Gentleman, who wants to stop this process in its tracks this evening, I believe that the Bill requires a proper period of thorough examination. There will be amendments that we believe are appropriate on technical issues and on the substance of the Bill.

Gordon Banks: Will my hon. Friend confirm that any amendments that we table in Committee will have more bearing and substance than the amendment that has been spoken about by SNP Members today?

Ann McKechin: I am happy to provide my hon. Friend with that assurance. Unlike some other parties, we are already listening carefully to and speaking with people and bodies in Scotland, as we have done throughout this process, which has already lasted three years.

There has been much discussion, both in the Scotland Bill Committee in Holyrood and beyond, of the effect of the proposed devolution of the fiscal powers set out in the Bill to the Scottish Parliament. We urge the Secretary of State to set out and make transparent at the earliest opportunity the precise plans that the Government intend to introduce to ensure operational stability during the transition and the measures he intends to put in place to control the costs incurred during those changes. In particular, it is imperative that the Scotland Office, the Scottish Government and Her Majesty's Revenue and Customs are in full and frank consultation and that operational systems are put in place to ensure that changes are fully effective so that Scottish taxpayers do not see public moneys wasted during a period of difficult financial constraint. What discussions has the Secretary of State held with HMRC and the Scottish Government on the initial planning required to implement those substantial changes, and will he undertake to report regularly to the House on progress during the preparation period leading up to the next general election?

We also seek clarity on the definition of "Scottish taxpayer", which experts have already highlighted could lead to a series of what we suspect are unintended anomalies. According to the Institute of Chartered Accountants of Scotland, a worker who spends 101 days in Scotland, 99 days in England and 165 days working overseas, for example, will still be deemed to be a UK resident and a Scottish taxpayer, despite spending less than half the calendar year in Scotland. A person who lives in Scotland but works in England would derive all their income from their activities in England but still be classified as a Scottish taxpayer because that is where they end their day. As the Secretary of State and his No. 2, the Under-Secretary of State, the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), both represent border constituencies, that issue might be of direct relevance to their constituents. We understand that HMRC currently has no intention of introducing a concession to split the tax fiscal year to deal with the movement of workers across the border. None of those consequences seems particularly sensible, so we urge the Government to look carefully at the definition.

We are disappointed that the Government have not taken the opportunity to tackle the problems caused by the different approaches to the definition of "charitable purposes" and "charity" in the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Act 2006, which applies to England and Wales. They have failed to use this opportunity to introduce measures to reduce the regulatory burdens on UK charities that operate in both Scotland and other parts of the UK —particularly in difficult times when charities are already affected by the spending review cuts and bearing the brunt of the economic downturn. The Bill is the ideal place to address the issue, and to quote the Secretary of State's right hon. Friend the Prime Minister, "If not now, then when?"

Let me conclude by reminding the House that the Bill is intended to preserve the political and economic union that has benefited both great countries over the past three centuries. The case for fiscal autonomy has disintegrated around the SNP, and its vision for Scotland is small, isolated and weak. Conversely, the Bill is designed to ensure that Scotland's future in the United Kingdom is strong, enabling the Scottish Parliament to flourish further and to carry on improving the lives of people in Scotland.

Mark Lazarowicz: A large number of charities are headquartered in my constituency, and they regret the fact that the opportunity has not been taken to deal with this anomaly. Does my hon. Friend agree that, to allow the point to be dealt with, the Government could well consider tabling amendments in Committee? I myself am a director of a Scottish charity, but it is a local one that is unlikely to be affected by the provisions.

Ann McKechin: I am grateful to my hon. Friend. On that point, I agree that it would be helpful if the Government reconsidered their response to that recommendation by the Calman commission, because there is an additional burden on many very good charities that operate not only in Scotland but in other parts of the UK. They face two licensing processes and two sets of regulatory burdens, and, for a Government who always lecture people on reducing the regulatory burden, this is a good opportunity, working with the consensus among charities, to try to alleviate the amount of time they have to spend on paperwork and to increase the amount of time they have to spend on charitable purposes.

We will support the Bill's Second Reading, not the Scottish National party's amendment, if it is put to a vote. That does not mean we will not scrutinise the Bill carefully and closely, but, after almost three years of study and engagement with the Scottish public and with experts, and given the express will of the Holyrood Parliament, whose Committees are currently considering the matter in close detail, it is now important to get on with business and to put the Calman commission into legislation.

2.12 pm

Malcolm Bruce (Gordon) (LD): I am very happy to follow the hon. Member for Glasgow North (Ann McKechin), who made a fair analysis of the co-operation and consensus that have characterised the process over many years. She presented a constructive role for the Opposition, as is right and proper, in scrutinising and trying to improve the legislation, and in addressing some of the issues. I certainly hope that matters are proceeded with in that spirit.

I am very happy also to welcome the Bill, as someone who has been involved in the process since its very early days—indeed, for 25 or more years. Frankly, however, I see it as a further step along the way to home rule within the United Kingdom. I never thought, any more than others did, that the Scotland Act 1998 was the end of the process; most of us recognise that the constitution is evolving. The first Act, which established the Scottish Parliament, was seminal legislation, but it was always work in progress, and this Bill falls into the same category.

I hope that my right hon. Friend the Secretary of State for Scotland does not find any discomfort in that, but I completely understand that his role in government, operating on an agreed cross-party consensus, is to put forward a Bill that commands the support of the House

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and the Government and does not prevent any of us from arguing the case for further reform and development. That puts the SNP in a difficult position, but that is precisely where it wants to be.

For many of us who have been through this debate a few times, my previous point might sound ponderous, but we are making history because we are shaping the evolution of the United Kingdom's constitution, and this stage will be monitored for many years to come as one of the stages along the route. It will represent the foundation of a much more radical and decentralised United Kingdom over time.

Stewart Hosie: I respect the right hon. Gentleman's view that this is a process, and that he wants to reach what he calls home rule within the UK. I suspect that that probably means, in his mind and those of his honourable colleagues, effectively a federal position with full fiscal autonomy. I respect that position, but we do not have that before us, so why is he prepared to settle for a Bill that, while devolving speed limits for cars, will not allow the devolution of speed limits for cars drawing caravans? Why is he prepared to accept something so weak?

Malcolm Bruce: If the hon. Gentleman will let me proceed with my speech, he will receive the answer, precisely because I took part in the constitutional convention when it was set up in the 1980s. At that time, we and the Labour party were in opposition, but the Conservative party largely ignored the convention and the SNP boycotted it. Yet that constitutional convention carried out detailed and thoughtful work that laid the foundations for the first Scotland Bill and, in my view, for this Bill and probably the next one. The difference between my party's approach and that of the SNP is that we, as a single party with an ambition, recognise that we cannot achieve on our own everything that we want; we have to work with others who do not necessarily share all our views. By working with them, however, we can progress towards what we want to achieve; if we refuse to co-operate, we cannot.

Mr Mike Weir (Angus) (SNP): Will the right hon. Gentleman give way?

Malcolm Bruce: I shall make a little progress, if the hon. Gentleman will allow me.

At the time when the constitutional convention was established, there was a minimalist position. Many people in the Labour party were prepared to consider an assembly. I accept that many were passionately in favour, but others had reservations, and the minimalist position involved an assembly, elected by first past the post, funded by a block grant and operating with even fewer powers than the then Scotland Office.

The process—this is the real point that the SNP should take on board—of the constitutional convention meant that we finished up with a Parliament, with all the powers of the Scotland Office at that time, with a proportional voting system to make it much more nationally acceptable and, in fact, with non-defined reserved powers attached to the Parliament. That was a much more radical outcome than the original agenda, and one that would not have been achieved if my party and others had not engaged. At the time, I challenged the SNP to take part, because I wanted it to be there, knowing that it wanted independence but accepting that the party probably would not get it. The SNP's involvement, however, might have helped us to gain more powers than we did. That is why I continually regard its all-or-nothing approach as damaging to Scotland and, ultimately, to the party's own interests.

We got quite a lot of agreement, and that is relevant to this debate. Indeed, I think we got agreement in the convention on tax-raising powers, but they did not follow through into the original Scotland Bill. I remember that Donald Dewar even renewed his passport to travel to Germany, and Jim Wallace, Ray Michie and I went to Spain to look at that country's arrangements. On our return, we more or less agreed on the proposal to assign half of all income tax revenues, and VAT and excise duties, to the Scottish Parliament. The fact that those proposals did not carry through into the first Scotland Bill—I think; I suspect—owes a lot to the resistance of the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). The convention largely agreed to them, however, so I am particularly pleased that the Bill before us moves in that direction and will allow them to be introduced.

I also firmly believe—the Scottish National party ought to give thought to this—that those of us who have brought forward and will take forward this legislation are working with the grain of majority opinion in Scotland, in terms of wanting both more power and a step-by-step approach. Those of my constituents who are sympathetic to the SNP cause are puzzled as to why it cannot work with other people and take a step-by-step approach. We could all decide at what point we wish to get off, but that does not happen because the SNP knows that the majority of people in Scotland would get off long before it did.

Stewart Hosie: The right hon. Gentleman makes the interesting assertion—it is only an assertion—that he believes he is working with the grain of Scottish public opinion. I doubt that a single person has said to him, "That's right Malcolm, we want 50% of the basic rate of income tax, 25% of the 40p rate and 20% of the 50p rate—that's the grain in my street." I do not think he is right when he says that.

Malcolm Bruce: No, but people have said to me, "I want independence, as long as I can still be a British citizen." There is confusion in the minds of many people about what independence is. Two facts are clear: the majority of people vote for Unionist parties, and the majority of people say repeatedly that they want more power, but that they want to take it in an orderly and measured fashion. It is up to the politicians, to some extent, to work through what the priorities are and how they should be worked up. That is precisely what this legislation does.

In the end, the SNP's position is anti-democratic, because it does not represent the majority. More to the point, it is unproductive. Frankly, it is downright lazy, because many of us have done an awful lot of work to bring these proposals forward. Having done nothing to create the Scottish Parliament, the SNP is happy to use it and abuse it. It takes a similarly curmudgeonly approach to this legislation. Of course it will not provide fiscal autonomy, which is, of course, a technical term for

separation from the UK, as was pointed out by the Steel commission, of which I was a member. There is no mandate for that. The proposals do not go as far as I want them to go, but I have no hesitation in welcoming them as a constructive step forward that will allow us to test how greater responsibility and accountability will work. In my view, as and when that does work, it will justify future extension.

The Bill will give Scotland control over about 35% of its budget, which I hope will increase over time. It will ensure that Scotland has the capacity to demonstrate responsibility and accountability to justify more devolution. In an ideal world, I would like each tier of government to have access to part of the taxes that broadly finance its operations. In other words, each tier should be able to get more or less all its revenue from its own tax base, subject to the recognition that the UK Government have fiscal transfer responsibilities. Perhaps on a smaller scale, the Scottish Government should have some internal fiscal transfer responsibilities. That would be my ideal in the long run, but one has to take these things a step at a time and by negotiation.

I want to pick up on the point on which the Secretary of State has intervened two or three times. On a few occasions, I have heard the assertion—stated as a matter of absolute fact—that had this arrangement already been in place, Scotland would have lost £8 billion. As has been pointed out, if that were true—which it is not—it would be a clear demonstration of the benefit of being part of the United Kingdom, because that £8 billion would have been a transfer from the UK taxpayer to Scotland. Of course, the assertion is perverse nonsense. It is also retrospective, at a time when the balance is changing. It showed that, at a time of rising public spending, the Barnett formula delivered for Scotland at a faster rate than the rate at which incomes rose. Of course, at a time of public spending constraint, the reverse will be the case—the income tax take will rise faster than the Barnett formula consequentials. Over time, that can be averaged out—that is what the cash borrowing is for. That is the way that we should look at it.

The proposals give the Scottish Government the capacity to benefit from economic success, which grows the tax base and can potentially grow the revenue base. If they use their powers well, they will benefit from the buoyancy of the revenues. Of course, if they mismanage the economy, the reverse will be the case. The advantage of the Bill is that the transitional arrangements and the cash borrowing adjustments will provide a cushion to minimise the extremes of that effect. However, they will not deny a bit of pain if it goes wrong and a bit of benefit if it goes right. Over time, one hopes that that will become a more substantial amount.

Stewart Hosie: The right hon. Gentleman is simply wrong about this matter. Although the Scottish Government will control 15% of the taxes raised in Scotland, if GDP rises and the tax take rises, the rise in the income tax take will be lower than the average. That will have a deflationary effect on the Scottish budget and will not allow the Scottish Government to benefit in the way that he describes.

Malcolm Bruce: On the models that I have seen, the reverse is the case, particularly at a time of public spending constraint. The point is that it will depend on changes over time—some years it will be up and some years it will be down. However, the proposals provide the potential for successful economic management to provide genuine benefit.

I would give more credibility to the SNP claims that the measures are inadequate to grow the Scottish economy if its record in government showed that it was using the powers it currently has in ways that will grow the Scottish economy, but it has not done that. We have seen a succession of populist consumer gimmicks; almost a complete collapse in public investment; and the slow strangulation of local autonomy. Local councils have less and less control and more and more centralised management through the freezing of council tax. There is effectively less flexibility across Scotland to gear responses to meet local needs.

Margaret Curran: Will the right hon. Gentleman comment on the Scottish Futures Trust? Does he see that as a model for using the levers appropriately to grow the Scottish economy?

Malcolm Bruce: My next paragraph relates to my constituency, and I am sure the hon. Lady can predict the answer to that question. I did not have a problem with the SNP saying that there were weaknesses in the public-private partnership method of financing, and that it wanted to look for a better method. I had a big problem with it abandoning all those projects and failing to come up with a better method, leaving us in total limbo. That has been catastrophic for investment in Scotland—catastrophic, not just seriously bad.

I am fortunate, privileged and honoured to represent the dynamic economy of the north-east of Scotland, which is probably the most dynamic economy in the whole of the United Kingdom at the moment. I and my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) represent the constituencies with the lowest unemployment rates in the United Kingdom. I appreciate that other hon. Members face serious problems of unemployment in their constituencies, so I am not boasting about this; I am simply acknowledging it. The point is that Scotland has a region with the capacity to deliver economic growth, yet the Scottish Government have conspicuously failed to deliver what they should have been doing to facilitate that growth.

There is no Aberdeen bypass. The Scottish Government today announced the go-ahead for an upgrade of the A90 north of Aberdeen. I am glad about that, but all they have done is to announce, a year after the public inquiry, that they intend to go ahead with it. There is no date, and it is dependent on the resolution of the western peripheral route, which is still subject to legal argument. When the SNP loses office in May, not one stretch of tarmac will have been laid and not one ditch will have been dug—nothing will have happened on the ground.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): What did the right hon. Gentleman's colleagues in the previous Scottish Administration do to progress the Aberdeen western peripheral route? When did they make a decision to go ahead with it?

Malcolm Bruce: They published the line of route for both that and for the A90. It took the SNP four years to make no progress at all. It has not indicated how it will find the money or when the scheme will ever start.

[Malcolm Bruce]

I do not know what it is about the SNP, but it has a total hostility to railways. It either scraps, delays or fails to take forward every rail project. Part of the transport needs of Aberdeen, and part of the proposal for our bypass, was a commuter rail service to restrict the growth of road traffic and give people choices. Progress was being made with that, but not even the provision of one additional station has progressed under the SNP, in spite of cross-party support from all other quarters. We have had an SNP Government for four years, and they have had the powers to do things to grow the Scottish economy—limited those powers may be, but they have had them—and they have not done so. They should prove that they can do that before they demand more powers that they do not appear competent to use.

Mr Weir: The right hon. Gentleman has just made an outrageous attack on the subject of rail. He should ask the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) about the reopening of Laurencekirk station, for example. What about the Bathgate rail line? What about the Alloa-Stirling line stations? All those things happened under the SNP Government. What he said is simply incorrect.

Stewart Hosie: Withdraw! You said "no new stations". Withdraw now!

Madam Deputy Speaker (Dawn Primarolo): Order. Mr Hosie, I think that is my business, not yours, and I would be very grateful if you did not shout across the Chamber.

Malcolm Bruce: I acknowledge that some of those things have happened, but the SNP has been very good at cutting the ribbons on projects that were announced, organised and set in motion by previous local or national Administrations.

Gordon Banks: The hon. Member for Angus (Mr Weir) mentioned the Sterling-Alloa railway line. The right hon. Member for Gordon (Malcolm Bruce) is exactly right—the SNP came and cut the ribbon, but the hard work was done under the previous Administration, not the current one.

Madam Deputy Speaker: Order. Many speakers have gone very wide of the subject in illustrating the points that they wish to make. Mr Bruce, I would be grateful if you came back to the subject of the Bill in responding to the intervention.

Malcolm Bruce: I will of course observe your strictures, Madam Deputy Speaker, but when we are talking about powers, it is important that we also discuss our capacity to use those powers effectively. My contention is that the points I have made show why we need to take a step-by-step approach and demonstrate how well we can use our powers, and then hopefully take more of them.

Those who want to go faster have to acknowledge that Scotland's capacity to take on the full responsibility for its own financial affairs is beyond credibility in the present circumstances. The UK is struggling to tackle a massive financial problem, and Scotland has a disproportionate share of that problem in its needs, its share of the national debt and its share in the underwriting of the banks, which has brought us to this pass. The reality is that Scotland's future lies absolutely within the UK, but it is important that we have the power to take appropriate decisions, accountable to the people of Scotland, in ways that can help us make our own contribution to solving those problems in our own way.

As one or two Members have mentioned—it was alluded to by Calman—the transfer of benefits policy to Scotland has been suggested. That might happen in the longer term, but most people would acknowledge that the administration of certain aspects of benefits could be devolved or shared. At the moment, however, Scotland's benefits bill is disproportionate, so the matter is much better shared across the UK, especially during these particularly difficult times.

We have embarked on a fundamental and radical welfare reform, which, leaving aside any controversial aspects, many people recognise has merit if it can deliver responsive benefits, value for work and so on. In the longer term it might be possible for Scotland to take a role in administering welfare, but now would hardly be the right moment to do so, as we are in the middle of a major funding deficit and a major reform programme. We must make common-sense decisions, taking on board what can practically be done now and acknowledging that further transfers could happen in the short term, when we are good and ready. Consideration at a later date can take us further forward.

I should like clarification on two questions that have been raised with me. One relates to the progressive commitment that the coalition Government have made on the threshold level of tax. As a former Treasury spokesman for my party, our commitment to raising the level at which people pay tax to £10,000, starting with £1,000 in the current year and progressing during this Parliament, is dear to my heart. I wonder whether the Under-Secretary in his reply can explain how that will be accommodated in calculating the tax revenues that would accrue to Scotland, or compensated for so that it does not create a disadvantage out of a good and progressive reform.

My second question relates to some aspects of charity law, which are not just peculiar to Scotland. When public authorities are looking to charities and the voluntary sector to take on more responsibilities for delivering public services, it raises questions about their status, and particularly their VAT liabilities. If a local authority or a health board provides services, there is no VAT, whereas if such services are provided by a voluntary organisation, there may be VAT liabilities. That may inhibit the transfer arrangements, which might otherwise be welcome. I acknowledge that that probably involves the Treasury and the Scotland Office, but I would appreciate some clarification if possible.

In the past 20 years, we have embarked on a process of restructuring the UK in a radical and decentralised way. As has been said in the past, devolution is a process, not an end product. No piece of legislation ends it. The Scottish National party wants the end to be independence. That is a perfectly respectable position, but for that, it has to win the support of the people of Scotland, which it is conspicuously failing to do. In the meantime, for those of us who want a stronger Scotland,

with more control over its affairs and playing its full part in the United Kingdom, the Bill represents a major and significant step forward. It will, in my view, strengthen the United Kingdom, strengthen Scotland's role and accountability, and perhaps enable the people of Scotland to look to their destiny and say, "We cannot always blame London and other people, we have to use the instruments that we have to help ourselves, and co-operate with others to ensure that we tackle the bigger problems together." That is what the United Kingdom is about, and also what the devolution home rule settlement is about. They are not incompatible; both are essential. The Bill is a positive step forward, and will be beneficial to Scotland and the United Kingdom.

2.37 pm

Fiona O'Donnell (East Lothian) (Lab): I pay tribute to the right hon. Member for Gordon (Malcolm Bruce) for an illuminating and useful contribution to today's debate. I am afraid that mine will not be as lengthy, but I humbly hope that it will also illuminate the debate.

I am sorry that the love of Scotland of the hon. Member for Epping Forest (Mrs Laing) could not hold her in the Chamber longer, because she expressed disappointment that today's debate is not taking place on the birthday of Mr Robert Burns. However, I can confirm that it takes place on my birthday, and I can think of no better way to celebrate than to speak in support of the Scotland Bill.

John Robertson: How sad!

Fiona O'Donnell: I expect that it is a reflection of what has happened to my life since coming to this place.

I begin, rather unusually, by apologising to the hon. Member for Perth and North Perthshire (Pete Wishart) for my rather bad-tempered intervention. It makes me angry when I hear the SNP, given its record, complaining about the process that has brought us here today, and the Calman commission. It also makes me angry when the hon. Gentleman questions whether the Bill will receive due scrutiny. I hope that, now he has heard the comments of my hon. Friend the Member for Glasgow North (Ann McKechin), he realises that Labour will give the Bill due scrutiny, and that he will also welcome the inquiry by the Scottish Affairs Committee, on which the hon. Member for Banff and Buchan (Dr Whiteford) serves. That will give us further opportunities to examine the Bill.

I remind the hon. Member for Perth and North Perthshire that the Calman commission consulted the public, experts and interested groups at 12 local engagement events all over Scotland. It received 300 written submissions, and held 50 public and 27 private evidence sessions. That compares more than favourably with the national conversation. The hon. Gentleman asked my hon. Friend the Member for Glasgow North how much it had cost. A conversation among Unionists is a far bigger conversation than one just among nationalists.

I am particularly pleased to be speaking in today's debate because I follow in the footsteps of John P. Mackintosh. His approach was one of integrity and commitment, and he wanted genuine constitutional reform and the flourishing of the democratic expression of the Scottish people. I should like to remind Members who have visited the Scottish Parliament, and to inform those who have not, that the Donald Dewar room at Holyrood carries this quote from John P. Mackintosh:

> "People in Scotland want a degree of government for themselves. It is not beyond the wit of man to devise the institutions to meet these demands."

Labour finally devised the institution to meet those demands and delivered on Keir Hardie's original aim of home rule. Another of my predecessors, John Home Robertson, not only believed in home rule, but lived and breathed it as he served East Lothian in both the House of Commons and the Scottish Parliament.

Constitutional reform should rise above party politics. The SNP has shown throughout today's debate not only that its politics are separatist, but that its approach to politics—the way it does politics—is separatist. The Labour way is to work with other parties to achieve consensus, which is what it has done through the Scottish Constitutional Convention and the Calman commission. SNP representatives were absent from both, which must make theirs the longest political huff in history. They are less outside the tent than squatting on a different campsite altogether. Indeed, they have not been happy campers, although there have been an unusual number of references to caravans.

We today take Scotland forward to a new era. It is right and it is time that the Scottish Parliament takes greater responsibility for its expenditure and matches that with accountability. Of course, the Bill goes further than that in giving substantial borrowing powers to Scotland. I hope that we can now move away from a time when the SNP Government used every capital building programme as an opportunity to fight at Westminster, rather than as an opportunity to fight for Scotland.

SNP Members have still to tell us whether they will vote for the Bill or seek to wreck it today. They have an opportunity to see Scotland move forward, but they appear to be unwilling even now to rise to give us clarity on that question—*[Interruption.]*

Pete Wishart: I just got bored listening to this. I've heard it all before.

Fiona O'Donnell: If the hon. Gentleman is bored, he could make the debate more interesting by intervening to answer that question, but he remains silent.

The SNP has argued for full fiscal autonomy for Scotland, but that is not what Scotland needs. Scotland needs the security that is offered by remaining part of the Union, which is what the Bill gives it.

What would the SNP have done with the banks in an independent Scotland? *[Interruption.]* Yes. I am afraid that it is all fantasy and Brigadoon on the SNP side. I urge SNP Members to think again—in the words of another Scottish poet—and to consider giving their support to the Bill. I also I urge them not to press to a Division an amendment that seeks to deprive Scotland of an opportunity to move forward.

I thank the House for the short time that it has indulged me, and urge hon. Members to support the Bill.

2.44 pm

John Stevenson (Carlisle) (Con): I am grateful for the opportunity to participate in this debate. My contribution will be modest, given that I am not versed in the intricacies of the politics of Scotland, although I am learning quite a lot this afternoon. As a Scot who has family in Scotland, I have a great interest in what happens there and I would like to see Scotland succeed. I am also interested in the continuing relationship between the devolved Government and the national Government. Most importantly, I represent a constituency on the border, so I want to be aware of the implications of the Bill for my constituents.

I appreciate that the Bill is primarily relevant to Scotland, but it does have a potential impact in England, and that impact will be most pronounced in the border area, affecting seats such as Berwick-upon-Tweed, Hexham, Penrith and the Border, Workington and, of course, Carlisle. Indeed, in my part of the country, we have an unusual relationship with Scotland in that we were not in the Domesday book because we were part of Scotland at the time. Subsequently, we had the "Debatable Lands", the reivers, and the movement of the border to Hadrian's wall and so on. Indeed, that continues to this very day with the invasion of Carlisle every Saturday by people coming over the border to shop and for entertainment. I therefore have a slightly different perspective on this debate from that of many hon. Members north of the border.

There will no doubt be some concern in my area about the Bill and the impact, in particular, of the tax-raising powers. In reality, many of the issues already exist: there are separate laws on housing, inheritance and planning. In some ways, the planning laws have been beneficial to parts of Scotland, with Gretna being an example. Traditionally, licensing laws were different. I remember when I moved to Chester from Scotland, I got a shock when the pub closed at 10.30 rather than 12, but England has since progressed. Scotland was also ahead of the curve on the smoking ban, to its credit. At times, Scotland can be more progressive and innovative. Indeed, those who live on the border are often more aware of the differences between the two countries and the various laws that affect them.

I welcome the Bill and its proposals. They are very much in line with the recommendations of the Calman report, which has broad support in this Chamber. It is also in line with my own philosophical viewpoint and that of the Conservative party—and of the Liberal Democrats—including a belief in localism, decentralisation and financial accountability. Devolution is now an accepted part of our political culture and is generally accepted by most people. Therefore, the issues that we now have to debate are the workings of devolution, how to make it better, how to achieve the right balance and the powers that we give to the devolved Assembly. Giving powers away is very much in line with the localism agenda, including the need for responsibility and the link between spending and taxation. Indeed, in many respects, that link has been missing in the English local government debate as well as in the Scottish one, but I am delighted that the Government are starting to address that issue for English councils just as they are for Scotland in this Bill.

The aim of the Calman commission was to recommend changes to the present constitutional arrangements in three ways—to serve the people of Scotland better, to improve the financial accountability of the Scottish Parliament and to continue to secure the position of Scotland in the UK. It is in terms of those three key points that we must consider the Bill.

As Calman said, the devolution settlement is a "real success" and "works well in practice". In many respects, that outcome is supported by the Bill, which does not dramatically rewrite the devolution settlement, but fine-tunes and adds to it. As hon. Members have said, the key aspect of the Bill is the changes on tax, but it also includes drink-driving limits, speed limits and other measures. I suspect the drink-driving limits and speed limits will be of more interest to those of my constituents who travel over the border.

One omission from the Bill is welfare and social security. It will be interesting to see how the Government approach that in due course, but I appreciate that a national debate on that subject is going on. The reforms that the Government are proposing nationally must have priority.

Income tax is the obvious area that could have an impact on cross-border relationships. There are people who live in Scotland and work in England and vice versa. However, I believe that there is nothing wrong in having different tax rates between different places—we see it at local government level with domestic rates—and allowing the Scottish Parliament to be able to set its own income tax rate creates accountability, responsibility and transparency.

The tax that I am probably most interested in, and the one that gives Scotland a real opportunity to be innovative, relates to old-fashioned stamp duty land tax and how it could be applied to commercial and residential property. If the Scottish Parliament is innovative, that will give it the opportunity to gain a commercial advantage, which could be beneficial to the local economy. However, the Bill is not just about transferring powers; it is also about providing the tools for Scotland to improve itself. The really exciting part of the Bill is that the Scottish Government and Parliament will receive incentives and control over their own economic destiny.

In my view, the Scottish economy needs to have a smaller public sector and a much larger private sector. Scotland needs to grow its private sector, and by doing that it needs to increase its population, build more houses and create more businesses. It will now have some of the tools to achieve that, via business rates, SDLT and income tax. This is a real opportunity for Scotland. If it can grow its tax base, it can reap the benefits. So I welcome the Bill. It achieves the key objectives of the Calman commission. It gives Scotland a greater opportunity to do things differently and, perhaps, better, and interestingly enough, the 2015 election will give the political parties an opportunity to offer different visions of a future Scotland. That is healthy for Scottish democracy and the Scottish Parliament, and will help to strengthen the Union.

Anas Sarwar: I welcome the hon. Gentleman's comments and am pleased that he supports the Bill. I just want to highlight the irony of a Tory Back Bencher supporting more powers for Scotland, but the Scottish National party voting against it.

John Stevenson: There is certainly a degree of irony in that. I welcome the Bill.

2.52 pm

Graeme Morrice (Livingston) (Lab): I congratulate my hon. Friend the Member for East Lothian (Fiona O'Donnell) on her excellent and entertaining contribution. I would also like to congratulate her—on behalf of the whole House, I am sure—on it being her birthday. She tells me that she is 21. That is 21 plus VAT at a rate of 30%—do the math! *[Interruption.]* She is the same age as me—well, slightly younger.

I am grateful for the opportunity to speak in this debate. There can be no matter of greater importance to Scotland than the question of how we strengthen the devolution that has helped to improve the lives of our constituents over the past 11 years. Nor should we forget that it was a Labour Government who brought devolution to Scotland, through the creation of a Scottish Parliament with a significant and comprehensive range of statutory powers. Now, after more than a decade of devolution, the time is right to take the next steps in developing Scotland's democracy and its relationship with the other nations of the United Kingdom.

That opportunity was provided, of course, only through the establishment by the previous Labour Government of the Calman commission. The proposals in the Bill, which are rooted in Calman's cross-party work, reflect the overwhelming desire of the Scottish people to anchor Scotland's future firmly in the United Kingdom. On that basis, I support the principles in the Bill. There are differences of detail, of course, between Labour's approach and the plans in the Bill. For instance, the aggregates levy, food labelling and charity registration have been omitted from the Bill. Matters of considerable detail will need to be thrashed out, but the principles are the right ones. Greater magnitude of fiscal autonomy and improved accountability and transparency will ensure that Scotland's stability and her place in the United Kingdom remain strong.

There are those who say that the Bill is part of the slippery slope to independence. There are those who said the same thing about creating a Scottish Parliament, but 10 years on, support for independence is at an all-time low. Strengthening devolution does not undermine the United Kingdom; it makes it stronger. The importance of that strength could not have been demonstrated more acutely than by the economic events of the past three years, yet the SNP still preaches separation. Rescuing the Scottish banks could never have transpired under independence, and the turmoil in the Irish economy demonstrates how vulnerable independence would have left the Scottish people.

The question of devolution is settled; how we make it work better for Scotland is the challenge that the vast majority of Scottish people want us to address. It is perverse that the SNP, which stands on a platform of autonomy, has refused to engage with the Calman commission to create and shape new powers for Scotland. There is an incredible irony at the heart of the SNP position. It rejects the Calman commission because it exposes Scotland to falling tax receipts. The SNP talks about full fiscal autonomy as an answer to Calman, but exposure to falling tax receipts would apply to Scotland's budget whatever the degree of financial powers it acquired. Far from improving, the position under independence would be considerably worse.

Stewart Hosie: The hon. Gentleman is wrong. Any country will see its tax revenues fall or rise with the economic cycle—the one that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) said he had ended. The difficulty with the proposals in the Bill is not that tax revenues may go up or down, but that they embed a deflationary bias in the Scottish budget.

Graeme Morrice: I am obviously aware of the objection to the Bill from the SNP—it is an objection that we often hear—which is that it would mean less money for the Scottish Parliament. Indeed, the First Minister claims that the Scottish budget would have been considerably worse under Calman, compared with the current regime, yet Alex Salmond refuses to publish the numbers setting out what his plans for fiscal autonomy would have meant for the Scottish budget in the last 10 years.

Pete Wishart: It is not just the First Minister who has said that there is a fiscal drag with the current plans—£7 billion is what we argue—but the Secretary of State, who said that the figure would be £700 million, so we are in pretty good company. If that was the loss to the Scottish budget, would the hon. Gentleman object to these tax proposals?

Graeme Morrice: The reality is that Government expenditure in Scotland is considerably greater than the sums raised in taxes. In fact, in 2008-09, the last year for which figures are available, total public sector revenue in Scotland was £43.5 billion, whereas total public sector expenditure was £56.5 billion. Under the separation that Mr Salmond wants, that would lead to a fiscal deficit of £13 billion. Let us turn to the fallacy peddled by the SNP that only under a system of full fiscal autonomy would Scotland's economy be able to generate growth. There is little evidence to suggest that this is the case. Professor Lars Feld, one of the world's leading authorities on decentralisation, has concluded:

> "We do not find any robust significant effect of decentralisation on economic growth".

Professor Anton Muscatelli of Glasgow university has said that

> "there is absolutely no statistical relationship between fiscal autonomy and growth, nor can there be."

The Scottish Parliament's competencies are already substantial, but we need to do more to increase accountability. Unlike the funding of most devolved regions by national Governments around the world, Scotland's block grant is unconditional and can be spent in whichever way chosen. Voters in Scotland and Members of the Scottish Parliament are therefore not exposed to the choice between public expenditure and additional taxation. The Bill ensures that those choices are made. More shared taxes; new devolved taxes; greater borrowing; greater transparency; a fair balance of shared risk across the United Kingdom—that is a fair balance of new powers to create the accountability that the Scottish Parliament needs. The Scottish Parliament will be answerable to the Scottish people for the money that it raises and spends. That is what the vast majority of Scottish people want. They do not want separation, but they do want a Scottish Parliament that is responsible for the decisions that it takes, and that is why I am supporting this Bill.

2.59 pm

Iain Stewart (Milton Keynes South) (Con): I welcome the opportunity to speak in this debate. Although I represent a seat south of the border, I have a long-standing interest in devolution matters. I not only spent my formative years in Hamilton, but when the original Scotland Bill passed through the House in 1998, I acted as an adviser to the then shadow Front-Bench team, which included my hon. Friend the Member for Epping Forest (Mrs Laing). I have thus gained a probably unhealthy level of detailed knowledge of the Scotland Act 1998, and I hope to draw on it a little in my contribution.

I trust that the House will not object if I draw on a book on the Barnett formula and fiscal autonomy, which I co-authored in 2003 with the eminent Scottish lawyer, Professor Ross Harper. For the avoidance of doubt, let me say that I am not seeking to advertise the book: it is no longer for sale and I received no royalties for it at the time. Let me just say that it was not troubling "Harry Potter" for the No. 1 spot on the best-seller list. Nevertheless, I hope that the research we did for the book will help our deliberations today.

I want to put on record the fact that I was sceptical about devolution at the time of the referendum in 1997. I campaigned and voted against the devolution measures. I am happy to say that many of the doubts I had at that time have not been borne out by events. I believe that the Scottish Parliament reflects the settled will of the Scottish people and that, on the whole, it has been a success. Our job today is to improve and strengthen it, thereby strengthening the Union. The Scottish Parliament is not perfect, however, as there are some deficiencies, but I believe that the Bill goes a long way towards improving them.

I want to focus, as much of the debate has, on the transfer of fiscal powers. It is right that the Scottish Parliament is more accountable for the money it spends—a flip of the old adage, "No taxation without representation". It is right for the Scottish Parliament to be held accountable to its electors for its own spending decisions. Going back to the 1997 referendum, I was intrigued by the option that did not get much coverage at the time, when the debate centred on the "yes/yes" or the "no/no" campaign. Some people believed in the "no/yes" option—they did not want a Scottish Parliament, but thought that if there was to be one, it should have proper fiscal powers and be held accountable.

I hope that the Bill will improve participation in Scottish Parliament elections. Although the turnout is higher than for local government, it is lower than for elections to this place, in which turnout is in no way at a particularly high level. Part of the reason for that lower turnout is that Members of the Scottish Parliament can make spending decisions without being directly accountable to their taxpayers and electors for them. I strongly support the Bill's principles in addressing that point.

Speaking as an English Member, I want to put on record the fact that I often hear representations from constituents about why Scotland has free tuition, free prescriptions and so forth, which people do not have in England. I explain that the financial relationship between Scotland and England is much more complicated than the Barnett formula, which people often use as a shorthand to explain the whole fiscal relationship between Scotland and the United Kingdom. The point is nevertheless an important one, because if that concern is left unchecked, the Union will suffer. If people in England think that Scotland is getting an unfair advantage from the financial arrangements, the Union will suffer. As a Unionist, I make no apology for saying that; as a Unionist, I say that the Union suffering is the last thing I want to see. If Scotland wants to increase spending in a particular area, or introduce free care, tuition fees or whatever, the Scottish Parliament will now have to find more of that money, and that is an important point for strengthening the Union.

Mr Weir: I am listening carefully to the hon. Gentleman. He talks about the financial responsibility of the Scottish Parliament, but why does he feel that that should be confined to income tax? Does he not agree with Lord Forsyth, a former Tory Secretary of State for Scotland, who said:

> "The SNP quite rightly argues that you can't just limit it to income tax and stamp duty if you want to manage the economy. You can't play golf with just one club"?

The point is that if the Scottish Parliament is to have responsibility, it must have responsibility not just for varying income tax, but for managing the economy.

Iain Stewart: I beg the hon. Gentleman's patience, as I will turn to those points in a moment.

David Mowat (Warrington South) (Con): My hon. Friend makes a powerful point about the threat to the Union posed by a perception of unfairness in relative funding, and giving Scotland control over its tax revenue raising will partially address that. However, it is widely accepted that the baseline, under the Barnett allocation, is 15% to 20% higher than it would be in equivalent places in England, and that is an issue for the Union.

Iain Stewart: I am grateful to my hon. Friend. I am not sure whether his birthday is coming up, but I will happily send him a copy of my book, which goes into the matter in some detail. The baseline funding for Scotland is an important point, but whether to have a needs-based assessment is not part of the Bill, although the Bill opens up the possibility that that will be reviewed in future.

Malcolm Bruce: No one can deny that these are legitimate issues for debate, but does my hon. Friend not acknowledge that when we look at the matter detail by detail—my right hon. Friend the Member for Yeovil (Mr Laws), when he was adviser to my party, did some work on this—we see that a high proportion of the spending differential is justified by remoteness, the different balances, benefits and so forth? A part of it is not accounted for, but the gap is nothing like as big as my hon. Friend the Member for Warrington South (David Mowat) suggests.

Iain Stewart: My right hon. Friend makes an important point. The whole subject is difficult and complex, given the shorthand of Barnett and the vast difference between public spending in Scotland and England. In some areas, however, for the reasons that he has set out, there is a big difference, and those reasons will also be found

in England. For instance, in remote parts of Cumbria or Devon, spending per head will be higher than in central London or Manchester.

Pete Wishart: If the hon. Gentleman looks at the study by Oxford Economics, he will find that London secures more public spending than any region or nation in the UK. If he and the hon. Member for Warrington South (David Mowat) are concerned about grant formula and Scotland's spending relative to England's, I have good news for them: they can vote to change that in the next few weeks and allow Scotland to have full fiscal responsibility. That would allow all the Barnett issues to disappear. If we were allowed to have the economic levers to grow our economy, we would be self-reliant on taxation.

Iain Stewart: As I said to the hon. Member for Angus (Mr Weir), if the hon. Gentleman allows me to make a little progress, I will come to the issue of full fiscal autonomy in a moment.

Clearly, the existing Scotland Act contains some fiscal powers for the Scottish Parliament: principally, the ability to vary the basic rate of income tax by 3p higher or lower than the UK rate. That has never been used, partly because the SNP Administration in Edinburgh has allowed the levy required each year for the mechanism to stay in place not to be paid. There is a more fundamental point, however: the administrative and set-up costs for making that small change in the income tax rate are disproportionate to the revenue that would be raised.

When the House was considering the Bill that became the Scotland Act 1998, it was calculated that it would raise, at the most, an additional £450 million. Given a total Scottish Office budget of over £22 billion, it was a tiny measure and would involve considerable start-up and administrative costs and not generate enough revenue. I can understand why it has not been introduced so far.

Stewart Hosie: The hon. Gentleman talks of the amount that might be raised if the tax rate were put up. There is, however, a built-in perverse disincentive to lower the tax rate. If the income tax rate, for example, were lowered and that stimulated economic growth, and if the benefit were paid from higher corporation tax receipts, the Scottish Parliament would take the hit of reduced income tax, while the United Kingdom Government would gain the advantage of enhanced corporation tax.

Iain Stewart: I am explaining why I do not think the provisions in the current Scotland Act are sufficient, and why I welcome the measures to increase substantially the power of the Scottish Parliament to raise a significant chunk of its own revenue. There are still concerns about how they will be implemented, and I raised that point during Scottish questions yesterday. I have been reassured that proper consultation is taking place with members of the business community in Scotland, who will have to administer many of the new arrangements, but I urge my colleagues on the Front Bench to keep a close watch on the increased regulatory burden on businesses at a time when they can ill afford much additional bureaucracy.

I think the HMRC bodies should consider the possibility of certain unintended consequences. There is, for instance, the question of how payments into personal pension plans which attract the adding back on of basic or higher-rate tax contributions should be treated. If in the past contributions have been made at the United Kingdom rate and added back on, a different Scottish rate will create potential anomalies when it comes to how that income is treated. I suspect that a fairly small amount is involved overall, but it is an important detail that ought to be clarified before the Bill is implemented.

I welcome the move to devolve some taxes, and I hope that more can be devolved in time. I hope that, for instance, the issues surrounding the aggregates levy and air passenger duty issues will be resolved. I do not believe that this is the end of the story; I trust that those two taxes will eventually be devolved, and that the Scottish Parliament will be given greater fiscal autonomy.

I referred earlier to the book that I co-authored. Part of our research involved international comparisons.

Mrs Laing: I hesitate to interrupt my hon. Friend, but he has just demonstrated that he is one of the few people who understand, and have carried out an in-depth study of, the relationship between United Kingdom and Scottish finance. He is being modest about his book, but I need not be modest on his behalf. It is an excellent publication, which I have consulted on many occasions. May I ask him to show the House his book and tell us its title, so that every Member in the Chamber—*[Interruption.]* I do not think he will make any money from it. However, some Members might be better educated in future if they knew more about it. I believe that it is called "It's Our Money! Who Spends It?"

Madam Deputy Speaker: Order. That was a very long intervention. I think that the hon. Lady has given the hon. Gentleman his advertisement; perhaps we can now return to the debate.

Iain Stewart: Thank you, Madam Deputy Speaker. I sense a rising demand for my book. Next Christmas is a little way off, but I have a couple of boxes of back copies which I will happily distribute.

As I was saying, part of our research involved examining the way in which other countries—Australia, Germany and Canada—operated financial relationships between state Governments and federal Governments, or provincial Governments, or whatever the term was in those countries. What struck us was that each of those countries has a system that comes close to what the Scotland Bill is proposing to introduce. Certain taxes are levied at the federal level. The example in each country varies, but some taxes are levied at the provincial level—the state level—and sometimes the state level has the power to introduce specific taxes of its own. That is balanced by a form of fiscal transfers between the federal level and the state level. There are perpetual arguments in all those countries about what the right level of spending, taxes, transfers and so on is—we will never get away from those—but on the whole the arrangements are stable. We can draw some comfort from the fact that the lessons from abroad point to the sort of system that the Bill is trying to introduce.

Conversely, there are few examples of a federal or devolved system of government where the lower level has full fiscal autonomy. Our research encountered only one example that came quite close to such an arrangement, which was in the Basque part of Spain. Since we did our

[Iain Stewart]

work Catalonia has also adopted such an arrangement, but it is still fraught with difficulties. I do not believe that there is sufficient evidence from abroad to warrant the type of policy that the Scottish nationalists wish to introduce.

Stewart Hosie: The hon. Gentleman says that the approach of the Basque country and others may be fraught with difficulties, but that country's gross domestic product growth is now 30% higher than that of Spain as a whole and its credit rating is stronger than that of Spain as a whole. Although that sort of model may need to overcome obstacles, it clearly has had some success.

Iain Stewart: The hon. Gentleman has a more detailed knowledge of the current state of the Basque economy than I do, but our research showed that there were specific problems there. I shall discuss them in a moment, as they are directly relevant to the example in Scotland.

Malcolm Bruce: Does my hon. Friend acknowledge that joining the inland revenue contribution club is not a popular sport in Spain? The Spanish have found that devolving this responsibility results in the tax collection rate increasing substantially. No comparison can be made with the situation in this country, because one cannot escape the Inland Revenue.

Iain Stewart: My right hon. Friend makes a powerful point.

Mark Lazarowicz: Perhaps I should add that the Basque country and Catalonia have always had higher gross national product rates than the rest of Spain, so I do not think that the point made by the hon. Member for Dundee East (Stewart Hosie) has much weight.

Iain Stewart: I am grateful for that intervention. I think it is unhelpful to make an exact analogy with a particular model. Spain has a very curious multi-speed system of devolution between its different constituent parts.

I promised to discuss why I do not believe, certainly at this point, that fiscal autonomy is feasible or desirable for the Scottish Parliament. There are huge unknowns in the fiscal relationship between Scotland and England, for the simple reason that we have never assigned tax revenues or allocated public spending on a straight territorial basis—that just has not happened. As part of our research for the book, I spent many hours enjoying and analysing the various forecasts and documents that the Scottish National party had published over the years giving its view on what Scotland's net contribution to or net borrowing from the United Kingdom had been.

Part of the SNP's criticism was that the official Government figures, as published in the annual Government Expenditure and Revenue Scotland survey, were based on assumptions about what Scotland's share of corporation tax or income tax should be. However, the SNP's own figures are based on assumptions and projections. They disagree with the assumptions made, but they could not analyse particularly and exactly what the Scottish revenues were.

Stewart Hosie *rose—*

Iain Stewart: Before the hon. Gentleman intervenes, I wish to illustrate that point by discussing two SNP publications that examined the period between 1979 and 1997. In one document, published in October 1996, the SNP estimated that Scotland had contributed £91 billion to the UK over that period. Three months later, however, it published a separate report covering the same period which calculated that the figure had been £27 billion. Well, what is £60 billion between friends? The point is that anyone wanting to analyse this has to do it on the basis of assumptions, not hard facts.

Stewart Hosie: I certainly agree that the Government Expenditure and Revenue Scotland—GERS—survey is based on certain assumptions and calculations. Most of the documents, certainly over the past decade, have effectively taken the GERS assumptions and, if they have differed from them, have always explained why. Those differences tended to be marginal. The key question here is not SNP figures versus those of another party; it is the work done by organisations such as Oxford Economics or, about a year ago, Reform Scotland, which calculated a broadly balanced budget of about £50 billion out and £50 billion in. Those seem to be generally accepted pre-recession figures.

Iain Stewart: But surely the point is that, if we want to set up new fiscal arrangements between the constituent parts of the United Kingdom, we should not do it on the basis of assumptions. We should do it on the basis of hard facts, and one of the conclusions of the book is that we need to do more hard research and assign revenues and spending on a territorial basis. Such proposals are not in the Bill, but I hope that the Government will take those matters forward.

I shall give the House an example to illustrate why there would be a huge debate about the revenue. Let us take Standard Life, which is headquartered in Edinburgh. If corporation tax were devolved, the company would be domiciled as Scottish, yet it trades throughout the United Kingdom and has many policyholders in England who contribute to its profits. How would we determine which profits were Scottish and which were English? These are huge issues and they would have to be resolved before a full system of fiscal autonomy could be introduced.

Mr Weir: Surely that is a problem that affects all companies that operate across national borders, of which, in this globalised world, there are many thousands. Why would that present a particular difficulty for Scotland?

Iain Stewart: I believe that it would be a difficulty, and I have seen no evidence from the Scottish National party that properly costs this or assesses what the split would be.

Mark Lazarowicz: Are not the economies of England, Scotland and the rest of the UK so closely integrated and dependent on each other that the consequences would not be the same as might be the case for, say,

Germany and France? On the hon. Gentleman's point about Standard Life, I am not normally someone who tries to air scare tactics about what might happen to the financial services sector under independence, but would there not be a danger that some companies, faced with the choices and difficulties that he has outlined, might choose to move their headquarters out of Scotland precisely because of the consequences of a differential in corporation tax rates?

Iain Stewart: That is exactly the point. The relationship between Scotland and England is so interwoven that to start to unpick it now would be hugely complicated and difficult. On the point about pensions, I have mentioned the potential difficulties under the current proposals that would need to be clarified. If there were full fiscal autonomy, those problems would be magnified many times over. People might have made national insurance contributions all through their lives. How would all that be untangled to sort out the different rights and contributions? The process would be enormously complicated. I am not saying that it would be impossible, but I do not believe that it is practical at this point in time. I hope that my right hon. Friends on the Front Bench will take up my point that we should move towards assigning revenues and spending on a straight territorial basis, so that in time we might be able to move to a system involving much greater devolution of fiscal power down to the Scottish Parliament.

Stewart Hosie: The hon. Gentleman's speech is throwing up practical issues that would have to be resolved in any circumstances. On his first concern, would the broad principle not be accepted that the tax liability would follow the economic activity? On his second concern about corporation tax rising, I would prefer to see corporation tax falling. Is it not odd that we have a party that is very keen on tax competition until it comes to Scotland's competing? Is that not slightly contradictory?

Iain Stewart: It is not a contradictory at all and I am not saying that I rule out that possibility. My book does not rule it out. All I am saying is that at this point in time it would be an enormous leap in the dark that would throw up so many unintended consequences that it would be a foolhardy move. I welcome the sensible incremental step that the Bill is taking.

I have probably been indulged by the House rather longer than I intended. I want to move briefly to one other point before I resume my seat. It concerns another part of the Bill about which I have a specific concern, and that is the proposal to devolve down to the Scottish Parliament the power to set the drink-driving limit. I am a member of the Select Committee on Transport and we have just concluded an investigation into the drink-driving limit. Part of the evidence we received was a strong representation from the police that we should not have a different drink-driving limit in different parts of the United Kingdom. I am not against the power's being devolved, but want to put it on the record that I would not wish the consequence of that devolution of power to be a marked difference in the Scottish and English drink-driving limits. That might cause some practical problems in border constituencies such as that represented by my hon. Friend the Member for Carlisle (John Stevenson), who is no longer in his place.

In conclusion, I welcome the Bill. It is a huge step forward, even for people like me who were devolution sceptics to begin with. It will do an enormous amount to strengthen the Scottish Parliament and the Union. I look forward to supporting it in the Lobby tonight.

3.27 pm

Mrs Anne McGuire (Stirling) (Lab): It is a great pleasure to follow the hon. Member for Milton Keynes South (Iain Stewart). I listened carefully to his analysis and, 13 years on, I now realise why the hon. Member for Epping Forest (Mrs Laing) was so well briefed in some of the intricacies of the Barnett formula. The hon. Gentleman has posed some fascinating and interesting questions this afternoon.

I made my maiden speech in 1997 on the Referendums (Scotland and Wales) Bill, which paved the way for the Scottish Parliament. It is fair to say that both the hon. Gentleman and the hon. Lady recognised that, collectively, we have travelled a long way in this House—at least, most of us have. I shall come on to those who are still stuck at the station a wee bit later.

We have travelled a long way and in many ways the Members who are participating in today's debate reflect that. We have a former Member of the Scottish Parliament, who, as the Under-Secretary, will be helping to drive this Bill through along with most of us. Of course, we have two current Members of the Scottish Parliament, my hon. Friends the Members for Kilmarnock and Loudoun (Cathy Jamieson) and for Glasgow East (Margaret Curran), both of whom have extensive experience not only of the workings of the Scottish Parliament but of the workings of government in Scotland, as they are both former Ministers.

Collectively, in the Chamber today we have a unique opportunity to discuss the importance of the Scotland Bill. I recognise its importance and identify with the statement made by Donald Dewar—devolution was

"a process and not an event".

We are all part of that process. In my opinion, there is no doubt that the relationship between the UK and Scotland and their governmental institutions has matured to a point where there is widespread recognition that the devolved approach has strengthened the United Kingdom and its four nations, working together. There are still some cynics among us—the ultra-Unionists, who perhaps do not see this as a way forward for the United Kingdom, and their uneasy bedfellows, the nationalists, who have a fundamental view. I fully accept their right to hold that view. I do not have any problem with their ultimate aim of independence; I just thank God every day for the sanity of the Scottish people, who have never accepted that analysis, but that analysis is obviously still there. The majority of people in Scotland want good government that brings decisions closer to them, so I welcome the principle of the Bill. I particularly welcome the strengthening of the Scottish Parliament's fiscal powers.

Anas Sarwar: Is it not alarming, given the Scottish National party's amendment, that those Members will be voting against the new powers for Scotland? Does that not show that they are now the conservatives in Scotland, supporting the status quo over new powers for the Scottish Parliament?

Mrs McGuire: I do not wish to interpret the SNP's tactics, but it is certainly bizarre that their amendment says that the "Bill as a whole" is "unacceptable", given that the mover of the amendment, the hon. Member for Perth and North Perthshire (Pete Wishart), tried to appear consensual on some of the areas on which there is agreement. I do not know which part of the brain was not working when the amendment was tabled, but it definitely calls on the House to vote against something that SNP Members agree with in some way. That is a question for them to answer, but I am delighted that my hon. Friend the Member for Glasgow Central (Anas Sarwar) has raised it.

The Bill, like the Scotland Act 1998, was developed as a result of consensus, as the right hon. Member for Gordon (Malcolm Bruce) has highlighted. The engagement of civic society, communities and individuals, as well as of political parties, is the hallmark of the legislation—as it was of its 1998 predecessor. In terms of political party consensus, there have been positive developments over the years. As the hon. Member for Epping Forest has clearly shown, the Conservative party in Scotland and across the UK boycotted the Scottish Constitutional Convention in the early 1990s, campaigned for a no vote in the 1997 referendum and voted against the first Bill when it came through Parliament. However, it is now working in partnership with other political parties that see the strength of the Union as key to the future of our country. I always welcome the sinner that repenteth.

Some things never change, though. The SNP stood apart from the consensus building up to 1998 and boycotted the Calman commission for reasons that I cannot understand and have not heard properly explained. I think the SNP amendment is somewhat churlish and flies in the face of all the views that have been expressed by the Scottish people through elections and consensus. If the SNP wants an independent Scotland, its first aim must be to prove its case to the Scottish people.

Fiona O'Donnell: As the SNP has fallen silent, will my right hon. Friend tell us why she thinks the party bottled it when offered the chance of a referendum by Labour in Holyrood?

Mrs McGuire: I gave up many years ago trying to get into the political mind of the SNP and I do not know if I want to revisit some of those early nightmares I had in trying to understand it.

I want to concentrate on the additional fiscal powers. Some of us in the House are old enough to remember the 1978 proposals of the then Labour Government, one weakness of which was that they contained no taxation powers—no variation to what was then called the Scottish Assembly was to be allowed. To an extent, that lesson was learned when the 1998 legislation was introduced. The plus or minus 3% provision was intended to deal with the flaw in the earlier legislation, which of course failed the somewhat artificial 40% referendum test. The discussion around Calman recognised that the time was right to build on the 1998 Act and devolve more responsibility for revenue raising to the Scottish Parliament.

In addition, the Bill gives us a package of other changes that will enhance the Scottish Parliament's fiscal responsibility, including new borrowing powers, a stamp duty land tax, a landfill tax and, of course, the power to create new taxes, subject to the approval of both the Scottish and UK Parliaments, which I think is a responsible way forward. The assessment of those new taxes, however, must be open and transparent so that it does not feed into the arguments of the conspiracy theorists who will interpret anything less as an attempt to undermine Scotland. However, the Scottish Parliament should recognise, as I am sure it will, that any proposed new tax must be assessed according to its potential impact on economic incentives in Scotland.

I want to raise one area of concern on the new Scottish rate proposals. The implementation and impact of that power must be thoroughly tested and developed, and not only with Her Majesty's Revenue and Customs, important though that is. I know that the qualification for liability for the Scottish rate will be the same as or similar to those already set out in the Scotland Act 1998. Although we can easily see the implications for the basic and higher rate taxes, people in Scotland must also have clear information on the impact on their tax liability of pension contributions, to which the hon. Member for Milton Keynes South referred, and any unearned income, such as dividend receipts and bank interest. That sounds as though it concerns only a small group of people, but many people in Scotland earn interest through bank accounts and from dividends. I ask the Minister, both today and throughout the Bill's scrutiny, to consider how the current regime of tax credits on dividends, for example, will be managed if there are different tax rates in different parts of the UK.

What discussions have there been about the implications of variable tax? What will happen if someone uses an address for their unearned income, such as a bank based in London, Cardiff, Halifax or wherever, that is different from that used for their individual taxation north of the border? I know that those problems are not insurmountable. There might be issues of detail, but frankly, we want the system to be robust and watertight from the beginning, otherwise the Bill will be nothing other than a job creation scheme for accountants—having been married to an accountant for 39 years, I have no problem with that in principle. The Secretary of State, given his previous career as an accountant, will have some knowledge of how accountants can take a piece of legislation, dissect it and then work their way around it. I hope that those issues can be solved properly so that we can ensure a robust system.

The Bill certainly makes some common-sense adjustments to the devolution settlement, such as the licensing of controlled substances and appointments to the BBC Trust, and there are other changes that are welcome in principle. However, greater discussion and clarification will be needed as the Bill goes through the House. For example, the power to set drink-driving limits, which has been mentioned by several hon. Members, should be considered. Different limits north and south of the border could cause confusion. Again, that is an issue not of principle, but of clarity. If we are to devolve power on the licensing system for air weapons, we will undoubtedly need a clearer definition of what constitutes an air weapon than that currently specified in the Firearms Act 1968. I assume that the Secretary of State will be having discussions with ministerial colleagues in the Home Office to ensure that the power that is being handed over will take account of how technology has changed in the intervening years in the manufacture of air weapons.

Let me deal briefly with some of the attacks that have been made on the Bill, which are crystallised in the SNP amendment. It has been criticised for not giving meaningful economic powers, and yet the Scottish Parliament will now be able to raise significantly more income as a result. In addition, there will be additional borrowing powers of up to £3 billion. When there is a cyclical fall in tax receipts, which we might see during a recession, there are powers to manage that problem.

I know that the hon. Member for Dundee East (Stewart Hosie) is, or appears to be, an expert on all things fiscal, but, although he might be able to identify some of the problems, his analysis and conclusions are sometimes questionable. I advise him that not all of us agree with his suggested outcomes. Of course, we know that all that is code for fiscal autonomy, which in turn is camouflage for independence. I have no problem engaging with that argument, but we have to be realistic and admit that that is what the debate is all about: it is a debate for those who want to see the United Kingdom broken up and those of us who want to see it strengthened through the greater devolution of powers.

I am delighted to support the Bill, and I resent what almost amounts to trivialisation of some of its elements. The Scotland Act 1998 was one of the most complicated pieces of legislation ever to go through this House. It had to unpick legislation dating back over 300 years, since the union of Parliaments, so it was not straightforward. Stage hypnotists might not have been at the top of the political agenda, but legislation on stage hypnotists had to be dealt with as part of the Act. Indeed, given the number of hours we spent on it, I wonder how we did not realise that we had given Scotland power over Antarctica. I do not quite know how that slipped through in all those hours, but we should not trivialise the detailed work that had to be done to present that Act and to deliver a Scottish Parliament, or suggest that it somehow undermines the Scottish people's right to autonomy through devolution.

Issues of detail and clarification will undoubtedly need to be debated in the Chamber over the next few weeks, but the Bill is a natural progression along the road that we set down in 1998, and if Donald is up there on his cloud, he will definitely see that it is part of the process, and that 1998 was not just an event.

3.42 pm

David Mowat (Warrington South) (Con): Before I get into my remarks, may I apologise to the House for three things? First, it is not my birthday; secondly, I have not written a book; and thirdly, I think I am the first speaker in the debate not to have a Scottish accent. I do have a Scottish name, however, so I shall do my best with that.

I really have only one point to make about the Bill to those on the Government Front Bench. Overall, it is a good Bill that takes what Calman recommended and implements it sensibly. Indeed, a whole set of well-made recommendations will be introduced. The principal part of the Bill, as others have said, relates to fiscal autonomy, the change in the level of the block grant and the compensatory change to income tax. The theory behind it is absolutely spot-on, because it is right that Scotland is given an incentive to nurture its own tax base and to become accountable for how it spends that money. The important issue, which is not directly in the Bill but an unintended consequence of it, however, is the baseline for that allocation, the current Barnett settlement. The Barnett formula is not a subject for today's debate, but others have spoken about it, and I shall put in my tuppence-worth.

The formula has been going for 35 years, and the most recent review of it was last year by the Lords Barnett Formula Committee, which produced an excellent report that received a poor response from the then Government. People accept that the formula no longer represents a needs basis for the allocation of moneys. The Calman report accepted that point, too, but the reason why we persevere with the formula is inertia. In the response to the Lords Committee, it was accepted that the formula was straightforward, but there are two reasons why it provides the wrong result. First, there has been no attempt to make any changes based on relative population movement over the past 35 years between the three countries in the Union which are most affected, Wales, England and Scotland. The result, as Holtham stated, is that the settlement for Scotland is about £4 billion more than it would be if it was worked out on a needs basis.

How does that relate to the Bill? The baseline will use that higher amount to set income tax, and to flex it up and down. In consequence, it will be harder to change the Barnett formula in future, because it will be linked directly to the level of income tax in Scotland in a way that it is not at the moment. From a political point of view, it would be hard for people to accept that the UK Government, while making a fairer allocation, were forcing up income tax in Scotland.

A second unintended consequence of the current baseline is that Scotland will for ever have a larger public sector in its economy than in England. I say to colleagues on the Government Benches, of whom there are not many, that it is wrong for us to go on about Scotland having to rebalance its economy towards the private sector and away from the public sector if we approve a formula that makes it arithmetically impossible for that to happen.

Mrs Laing: Does my hon. Friend accept the point made by my hon. Friend the Member for Milton Keynes South (Iain Stewart) that the Barnett formula works in the way it does not just because Scotland is Scotland, but because Scotland has certain features, such as areas of deprivation in its inner cities and very rural areas where transport costs are enormous, that mean that it deserves greater spending in certain areas? Such areas are also found in certain parts of England and Wales.

David Mowat: I thank my hon. Friend for that intervention. She made two points, the first of which was about sparsity. Scotland is more spread out than the rest of the UK. Page 18 of the Holtham report takes that sparsity into account. The Scottish national health service has to take sparsity into account in the allocation of money. Parts of Scotland are very spread out, such as the highlands and islands, Orkney and the Hebrides. The Scottish NHS adjustment in respect of that, which was validated by the Holtham formula, was 1.5%. We are dealing with a figure of 20%.

[David Mowat]

The second point that my hon. Friend made was about deprivation. There are areas of deprivation all over the country. That is why it is so important that the formula is based on need. There can be no argument about that.

Anas Sarwar: When discussing the rights and wrongs of the Barnett formula, would it not be sensible to compare the averages for Scotland and Wales to different regions of England, because the north of England receives almost the same amount per head as Scotland?

David Mowat: Paradoxically, the part of England that receives the most per head is London.

Pete Wishart: The hon. Gentleman said that London secures the most identified public spending—that is before we get into unidentified public spending. I am grateful to him because he has been very consistent in his view, which is a valid view held by Conservative Back Benchers, that Scotland's budget should just be cut. Those on the Government Front Bench, with Labour support, want to cut Scotland's budget through the financial measures in the Bill. The hon. Gentleman and I can surely agree that the way to resolve this is to give Scotland full financial autonomy on these issues—he would benefit and I would benefit. Surely that is the right way forward.

David Mowat: What I think we would agree about—I think this has been the consensus—is that we should have a needs-based formula. What possible objection could anybody have to a formula based on need? Members have mentioned adjustment for deprivation, and fine, let us go with that, but the difficulty that we have got into is that we have never adjusted the Barnett formula for population change.

Iain Stewart: I must correct my hon. Friend. The Barnett formula has been adjusted in the past to take account of population changes. He is quite correct to suggest that it was not adjusted for the first 15 or 16 years, which led to a more generous settlement year on year than a strict population count would have allowed, but I believe that it was Michael Portillo, when he was Chief Secretary to the Treasury, who introduced a mechanism by which the percentage by which Barnett changes each year would be directly related to Scotland's share of the UK population.

David Mowat: My hon. Friend is right to say that the Barnett consequentials each year take the correct, current relative population into account. However, the formula does not do that to the body of spending that is adjusted by those consequentials. He will find that very clearly in the reports of the House of Lords Select Committee and the Holtham commission.

Iain Stewart: One of my bugbears in this debate is that when we talk about the Barnett formula, we forget that Barnett does not change the baseline lock, it aggregates the annual changes in UK Departments' spending and then adds on a population share percentage and a relevance factor percentage. My hon. Friend's point is about changing the baseline. I believe that the Government have opened up the possibility of that in future, but we must be careful to point out that the Barnett formula deals only with year-on-year changes.

David Mowat: I thank my hon. Friend, but I have two points in response. First, the Government have said that they will not review the formula in the lifetime of this Parliament. Secondly, the outcome allocation that is consequent on what we call the Barnett formula takes into account two things—the spending brought forward and the Barnett consequentials. The first of those is not adjusted for population, and the second is.

Since I have nearly got to the end of my remarks, I will not take any more interventions on this subject, but—

Gemma Doyle (West Dunbartonshire) (Lab/Co-op) *rose—*

David Mowat: Maybe one more.

Gemma Doyle: I am very grateful. Is the hon. Gentleman aware that the proposals to which he refers, which he seems to support, could actually lead to a £4.5 billion cut in the amount of money spent on Scotland? Is that what he proposes, and does he want to see it happen?

David Mowat: What I propose is that the allocation be done on a needs basis that is fair to the constituents whom I represent as well as to hers.

David Mundell: I very much respect what my hon. Friend says. He took part in a Westminster Hall debate on the issue, and I am sure the Chancellor and other colleagues are listening to him. We need to be clear, though, about whether he is arguing for a needs-based assessment across the whole UK. The hon. Member for Glasgow Central (Anas Sarwar) drew attention to the fact that there are significant differentials within England. The difference between the highest and lowest per capita public spending in England is £2,537, which is much greater than the difference between the Scottish and English average. We need to be clear about whether my hon. Friend and those who make the same argument want a change in spending within England, or just between the constituent parts of the UK.

David Mowat: The difference that we are really talking about today is the one between the constituent parts of the UK, but I have no difficulty with also applying that to the constituent parts of England. As I said, a needs-based formula is fair.

If my constituency of Warrington South, which has areas of great deprivation and some better-off areas, were in Scotland, the average constituent would receive £900 more. That is not fair—I get a considerable postbag about it. Today's debate is not on the Barnett formula, but unless we address the matter at some point, it will become a tension in the Union from the other direction. We need to be cognisant of that, and we need to be careful.

Ann McKechin: The hon. Gentleman mentions basing the determination on needs. In last Wednesday's Adjournment debate, to which the Under-Secretary

referred, there was some discussion about the system in Australia. It is based on needs, and there is a commission that makes a judgment. There is frequent argument between the federal states about the definition of needs, and some commentators are now saying that they want to move back to a per capita formula, just like the Barnett formula. Does the hon. Gentleman agree that stability might be a better prize?

David Mowat: I do not agree that stability is a better prize if it is based on something that is wrong. I agree that it is difficult to compute need, but that is no reason not to try. We have let the matter drift. One of the determinants is relative population movement—I repeat that, notwithstanding the comments of my hon. Friend the Member for Milton Keynes South (Iain Stewart); I guess we can discuss that later in the bar.

I ask the Under-Secretary to table a simple amendment to the Bill to provide for revising the block grant allocation to take account of relative need, in the way that the House of Lords Committee on the Barnett formula and the Holtham commission recommended last year and in previous years.

3.56 pm

John Robertson (Glasgow North West) (Lab): It is a pleasure to follow the hon. Member for Warrington South (David Mowat). I also enjoyed the contribution of the hon. Member for Milton Keynes South (Iain Stewart). I have not read his book and, having listened to his speech, I do not think that I will buy it. [HON. MEMBERS: "Oh!"] Let us face it, anyone who campaigned on a no/yes vote in the referendum for a Scottish Parliament meant, "I don't want a Scottish Parliament, but give us the money anyway." I have some problems with the economics of that position and wonder what the hon. Gentleman was thinking of at the time.

I am a unionist—with a small "u". I am also a member of the Labour party. In the past 10 years, the Labour party has been the Unionist party in the House. We have supported the United Kingdom more than any other party. Around 2005 to 2010, the then Opposition, who now lead the coalition, had an anti-Scottish slant. I found it sad that we were treated in such a manner, but I have noticed that, since they came to power, we do not seem to hear the same anti-Scottishness from them. I am pleased about that, if nothing else.

Many hon. Members know that I followed Donald Dewar into the House. I had the pleasure of being his election agent in the 1997 and 1999 elections and of representing him in his constituency while he was away campaigning in 1998. Those of us who fought hard for a Scottish Parliament and an excellent vote, particularly in Donald Dewar's constituency, had the reward of getting the Parliament. That is not to say that I agree with everything that has happened. I do not agree with hon. Members who said that this is the first time that we have revisited the Scotland Act 1998, because we have done that a couple of times. Yet Donald Dewar said to me that the Act was not to be played about with. Devolution might be a process and a project that will develop, but the Act should not have been tweaked as often as it has been. I hope that, if we tweak it this time, we will leave it to settle in properly. Ten years is not a long time for a political institution.

We still have to grow up when it comes to Scottish politics, as can be seen by some of the bunfights between the party that will remain nameless—I know that its Members count the number of the times that it is named—and Labour. It should not be a bunfight; we should think of the people of Scotland and try to do what is best for the nation.

The Bill goes a way along that road. Everything in it is not necessarily right, and some things that are not in it should be. Let me concentrate on those for a moment. The voting system for the Scottish Parliament is wrong. I particularly dislike the top-up of Members, and the votes of the people of Glasgow, part of which I have the honour of representing, are not proportionately counted.

There was a great deal of talk in debates on other Bills—they were not consulted on, just as this Bill was not consulted on—about how one person's vote in one constituency is worth more than someone else's vote in another. However, the second votes of 45,000 people in the Glasgow area do not count for the top-up list. Not one Member is elected by those 45,000 votes, which I believe is inherently wrong. It is not right to conduct a parliamentary election on first past the post and then, just because a party is so successful in gaining seats, for 45,000 votes to be discounted. I expect that 45,000 to be a lot more come the next election.

Pete Wishart: The hon. Gentleman is the epitome of reason, and his speech differs greatly from some of the incoherent rants from his colleagues—we are likely to hear more such rants from the next few speakers. Is he really suggesting that we get rid of proportional representation for the Scottish Parliament? Surely we cannot go back to the old days of Glasgow council, when Labour members gained majorities on vast minorities of support.

Mr Deputy Speaker (Mr Nigel Evans): Order. Before the hon. Member for Glasgow North West (John Robertson) resumes his speech, I should say that he is now going through things that are not in the Bill. If he goes on at length on those matters, he is clearly going to make a lengthy speech before he even gets on to measures that are in the Bill. Will he now direct his comments towards what is in the Bill?

John Robertson: Thank you for your guidance, Mr Deputy Speaker; I am hoping to speak to amendments in Committee that might deal with those matters, and to develop that argument and discussion in greater detail. To answer the hon. Member for Perth and North Perthshire (Pete Wishart), I have never been spoken to so nicely. He called me reasonable. I have always thought I am reasonable, but sometimes people say that I rant.

It is important for people to have representation. I do not believe that voting for a loser to represent me is right. I want to vote for a winner, and I believe the person who wins the vote should look after me. That is how I was elected. I like to think that I have done a good job. Admittedly, when someone gets over 50% of the vote, they would say that, but they might not if things were a bit closer. I still believe that people would like to vote for a winner and not a loser to be their elected representative; sometimes even somebody who comes in third place will be elected. I hope to set out that position in Committee.

[John Robertson]

Consensus is important. The SNP has tabled a reasoned amendment, but at the end of the day, SNP Members want the same thing that I want: the best for the people whom they represent. However, you have to listen to the other side. The right hon. Member for Gordon (Malcolm Bruce) made a very good point when he said that the fact of the matter is that the Scottish people do not agree with the SNP. If 70% or 80% of the Scottish people do not agree with you, you might be wrong. You should actually listen to that 80% and find out why they disagree with you. You might want to persuade them in the years to come, but we are not at that stage. To go back to my initial point, we are developing and broadening out what the Scottish Parliament does and trying to make it better. That will not be achieved in one go.

Stewart Hosie: The hon. Gentleman is being unreasonably reasonable. The amendment is not only reasoned, but reasonable, and it specifically fails to seek to decline to give the Bill a Second Reading. If he reads the amendment carefully, he will quickly appreciate that we seek to improve those areas in the Bill that we believe are weak, and that we are criticising the exclusion of recommendations by the Calman commission, which was the genesis of the Bill.

John Robertson: The hon. Gentleman sounds very reasonable, but I do not believe he is being reasonable, and I shall explain why—*[Interruption.]* Let me explain why you are not being reasonable. You have put forward an amendment that—

Mr Deputy Speaker (Mr Nigel Evans): Order. I have not put forward any amendment to the Bill. The hon. Gentleman has used the word "you" several times and I would be grateful if he could speak through the Chair.

John Robertson: Thank you, Mr Deputy Speaker. The "you" is, of course, a Scottish phrase that you have misunderstood—*[Laughter.]*

The hon. Member for Dundee East (Stewart Hosie) has put forward an argument that is wrong, because it would wreck what we are trying to do today. It would be much better to table amendments to improve the Bill. I hope that the amendment will not be accepted so that we can carry on—and that is probably what will happen. The amendment tabled by the hon. Member for Perth and North Perthshire is ill conceived. It is a mistake and he should not have tabled it.

Ian Murray (Edinburgh South) (Lab): My hon. Friend is making a powerful argument about the amendment tabled by the Scottish nationalists. The amendment concludes that the Bill is considered

"as a whole to be unacceptable."

The amendment therefore suggests that the Scottish nationalists do not want the Bill to go forward.

John Robertson: My hon. Friend makes my point. That is why the amendment was a mistake, and I think that the Scottish nationalists did not really mean to go down that road. If they put that in deliberately, I am wrong and will admit as much. We have to fight them on that point.

Another aspect of the Bill that needs amendment is the provisions on energy. It is a reserved matter, but if we wished to build a nuclear power station in Scotland, the present Administration say that they would use the planning rules to stop it. By the middle of this decade, we might be short of electricity, so we have to make decisions now. In fact, we should have decided years ago—my party must take much of the responsibility for failing to do so—what we should do in relation to energy, and we cannot have a devolved Administration with the power to stop developments that are happening everywhere else. Each power station that is built is the result of billions of pounds of investment in jobs and future jobs after the station has been built. Some 9,000 jobs are created when a new nuclear power station is built. We should consider having legislation to make such planning issues a reserved matter, with the Secretary of State having the power to put forward reasons why such issues should go ahead.

Dr Whiteford: I wonder whether the hon. Gentleman's constituents would like a nuclear power station in their backyard.

John Robertson: The hon. Lady has obviously not consulted people in areas where nuclear power stations have been built. They want new stations built, because of the investment that that brings for local infrastructure. If the lights were about to go out, people in Anniesland probably would want a new power station. They would like any power station allowing us to keep the lights on. We are digressing on to a subject that has nothing to do with the Bill, and I know that you would stop me talking about it if I continued, Mr Deputy Speaker. However, I hope that the hon. Lady gets my point.

Overall, I welcome the Bill. It has some good points. Fiscal powers have always been a wee bit of a problem. Why is that? Let us have a look: in the mid-1990s, the Conservative party did away with the two-tier system north of the border—we had local government in local and regional areas. Cities such as Glasgow did very well under the old Strathclyde regional council, but once we did away with it, the money started to drift away from the centre of where the work was being done. Under the present incumbent north of the border, business rates for Glasgow were taken into a central pool and spread over the rest of Scotland, so that, in effect, the business rates in a city that created wealth and employment for people living outside Glasgow did not pay for anything. Those people came into Glasgow and used all the facilities, roads and everything else that the city council now had to pay for. I cannot remember the exact figures for now, but of £180 million collected in business rates, Glasgow used to get back £100 million.

In effect, Glasgow—the biggest area for employment—was taking £80 million out of its city centre and giving it to the rest of Scotland. I believe that that was done out of political expediency. It was agreed before the last election that the money would be returned to Glasgow, but we have since seen even more attacks on the city from the Scottish Government. If we are to go down the fiscal road, we have to consider very carefully the political stance, the areas where the money should go and the areas of high deprivation. For deprivation, Glasgow rates higher than any other city in the United Kingdom. Six of Glasgow's constituencies—in those days, it had

nine—used to be among the top 10 worst in the UK, and certainly plenty of its now seven constituencies are still among them.

Yes, we do need help, and we do need money. What we do not need is money disappearing. The fiscal powers must be used very carefully to ensure that the money taken in goes to the areas that need it. The hon. Member for Milton Keynes South (Iain Stewart) talked about how we could do that. If the Scottish Government are to have such powers, however, I want to be able to know where the money is going. Why am I saying this? There has to be an audit trail if the UK Government are to give to the Scottish Parliament money and the means to collect taxes. For example, if this Parliament is to give the Scottish Parliament Barnett formula increases—my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) mentioned this earlier—of about £34 million for disabled children, but that money does not go there, I want the ability to ask where it went. If I were told, "It just went into the budget, and we do not know exactly how it was spent," that would be fine, as I could use it for political purposes. However, I want to know where the money is, and I want the House to be able to audit every penny that comes from the UK taxpayer.

Mr Weir: Is the hon. Gentleman seriously suggesting that the Scottish Government can spend money from the block grant only on whatever this place determines? In effect, does he want to export changes in this place, for example in the NHS, into the Scottish system? That is ridiculous.

John Robertson: What I think is ridiculous is £34 million not going to disabled children.

Mr Weir: It did.

John Robertson: Well, I think that the money went to trying to support a Scottish Parliament and a Scottish Government who were trying to keep councils' payments down, and that people were getting bought off with it. I do not believe that one thought was given about a disabled child going short or a home not getting the money it needs. I take that view, and I am entitled to my opinion. I believe that we have to go ahead with this.

I have ranted on long enough. I support the Bill. I believe that scrutiny has to happen, and that there are areas where we can make it better. I also believe that there are probably areas where we are thinking about making things better where we may have to reign in, but the most important thing is for the Bill to proceed and for the Committee to look at it even more closely.

4.15 pm

Mr William Bain (Glasgow North East) (Lab): It is a pleasure to follow my near parliamentary neighbour, my hon. Friend the Member for Glasgow North West (John Robertson). Before I address the substance of the Bill, let me place on record my thanks for the great work done by the previous Government. In particular, I thank my hon. Friends the Members for Rutherglen and Hamilton West (Tom Greatrex)—I thank him in the capacity in which he assisted that Government—and for Glasgow North (Ann McKechin), and my right hon. Friend the Member for East Renfrewshire (Mr Murphy), along with those Members from other parties who took part in the Calman process and the leaders of the parties in Scotland. A great deal of thanks for the impetus behind the Bill, as for the original Scotland Bill, should go to Wendy Alexander. It is important that we should thank her from the Labour Benches in this debate for her great efforts on devolution.

The key principle of the constitutional reforms that were adopted by the previous Government was cross-party support. As my hon. Friend the Member for Glasgow North stated, there is a real contrast between the great cross-party consensus that has been achieved in the preparation and discussion of this Bill, and some of the frankly gerrymandered changes that we have seen in the Parliamentary Voting System and Constituencies Bill and the Fixed-term Parliaments Bill. I hope that right hon. and hon. Members on the Government Benches will recognise that when they bring forward further constitutional legislation in this Session, such as the House of Lords Reform Bill.

This Bill is good for Scotland, and that is why Labour Members will support it. As paragraph 2.34 of the Calman report states:

"the Scottish Parliament controls 60% of identifiable public spending in Scotland,"

but is directly responsible for

"only 10% of the taxation levied in Scotland."

If the Bill is passed, thankfully that will change. The Bill will increase the level of taxes levied in Scotland to 35%, which is comparable to the level in devolved legislatures in Belgium, Italy, Spain and Australia. Added to that, the Bill provides for welcome revenue and capital borrowing powers, which will extend borrowing from £500 million a year, under the Scotland Act 1998, to £2.2 billion. That will release proceeds for much-needed capital projects in Scotland, such as a Glasgow airport rail link—a matter on which I have spoken a great deal in the past and on which I will continue to speak—and will raise the opportunity for investment in high-speed rail track between the major cities of Scotland and the Scottish border. That will be a helpful economic lever for Scotland. Added to that, the detail of the tax powers will see a variation of plus or minus 10% from 2016, and the welcome devolution of stamp duty land tax and landfill tax.

I welcome the fact that income tax is the principal lever being used to give the Scottish Parliament extra fiscal powers. Giving evidence to the Scottish Parliament on 18 January, Sir Kenneth Calman set out an important principle for where our economy should be going:

"If you change the financial levers, that in itself will not change anything; what you...need is to have in place the right policies."

That is right. Speaking about those levers, Professor François Vaillancourt of Montreal university, also giving evidence on 18 January, said:

"I believe that the instrument that has been chosen, personal income tax, is the best one for the purpose. Corporate income tax is difficult to administer at a personal level, because of tax shifting between various jurisdictions...Personal income tax allows people to see a relationship between what they pay and what they get, and it is linked to the responsibilities of the Scottish Parliament, such as education, social services, health, long-term care and so forth. It is, therefore, an appropriate tool."

I agree.

[Mr William Bain]

What we have also seen in the last two weeks is a real weakening of the argument for fiscal independence as propounded by some Scottish National party Members. Professor Muscatelli, whom I believe my hon. Friend the Member for Livingston (Graeme Morrice) has already referred to, makes it clear that the Bill does not seek to adopt some of the more volatile taxes, such as corporation tax and other taxes that would inject more risk into the Parliament's revenues. He expressed the view at Holyrood on 18 January:

"Income tax has less impact in terms of tax spillover or tax competition, so it is the obvious place to start." [*Scottish Parliament, Official Report, Scotland Bill Committee; 18 January 2011, c.200-40*]

Again, this is someone who speaks with real expertise, so the House would do well to take note of his views.

Some issues will have to be scrutinised closely as the Bill progresses, particularly if it receives a Second Reading and proceeds into Committee. It will be important to probe the precise detail of the definition of "a Scottish taxpayer" and to deal with some issues that my hon. Friends and Government Members raised earlier.

It is important to emphasise the necessity of proper economic forecasting in Scotland. Given the frankly lamentable performance we have seen from the Scottish Government and their ill-starred cast of economic advisers put together by the First Minister, we need a proper and robust system for forecasting growth and the impact of increases or reductions in income tax that the Bill, if enacted, will permit. I was impressed by the idea set out by the Scottish Council for Development and Industry when I went to meet its representatives in central Glasgow last week. It recommended the establishment of a Scottish office for budget responsibility—a devolved office that would examine the effect of devolved Government policies on growth and would be able to forecast properly and stress-test the impact of varying income tax, up or down, which I think is an idea with many attractions. I hope the House will be able to explore it further in Committee.

As my hon. Friend the Member for Glasgow North West mentioned, it is important for the Scottish Parliament to make the most of the totality of powers it has from the Scotland Act 1998, which it will still have if the Bill is passed. That must mean a real emphasis on growth. It is true that the income tax-varying power in itself will not necessarily produce additional growth, but it will be a tool, allied with investment in capital projects and skills and with diversifying the Scottish economy by providing more manufacturing and more help for construction, which the stamp duty tax might afford. All these are important if we are to avoid seeing the gap in employment and growth in Scotland widen in comparison with the UK as a whole over the last couple of years.

This is a good Bill, but by no means a perfect Bill. We shall scrutinise it closely if it reaches Committee, but it has the support of my constituents and it will have the support of all the key political parties that are in favour of a decent and decentralised system of government within the United Kingdom.

4.24 pm

Margaret Curran (Glasgow East) (Lab): I apologise for not being able to stay to hear the concluding remarks today. This is explained by the fact that, along with my hon. Friend the Member for Kilmarnock and Loudoun (Cathy Jamieson), I have current responsibilities as a Member of the Scottish Parliament. We are still trying to juggle some of those responsibilities, so I hope I can be forgiven by my colleagues, friends and opponents on these Benches. I obviously do not have to apologise to too many of my hon. Friends—although there is a valiant crowd left.

I am in a privileged position as I have the honour of representing the people of Glasgow East in this august institution that has such great traditions, but I can also participate in this debate with the benefit of my experience as a Member of the Scottish Parliament for 12 years, since its inception. This is a significant debate, on which we will all look back in years to come, as we are at a key stage in the devolutionary process. The Scottish Parliament is firmly established in the governance of Scotland and has addressed the fundamental democratic deficit that generations of Scots felt. Many of us campaigned long and hard for the establishment of a Scottish Parliament, and are proud of many of its achievements, as it empowered us to address problems and galvanise responses to meet challenges, within the framework and partnership of the United Kingdom. Perhaps we are in a position where we get the best of both worlds.

My experience is that the Scottish Parliament has, as the right hon. Member for Gordon (Malcolm Bruce) said, acted within the mainstream of Scottish opinion. The Scottish people have strongly supported the Scottish Parliament, which has kept their faith as it has developed. In some ways, its operation is in the character of Scotland. We criticise the Parliament and keep it on its toes, and many of its Members have faced criticism, but the Scottish people would never tolerate its abolition and would wish to protect it.

The Scottish Parliament has not been without its controversies and weaknesses, which we hope to address through the Bill, but it has had notable successes. I am pleased that this august Chamber has also learned from the Scottish Parliament, which led the way on the smoking ban and on free public transport. Scotland has what is called the most progressive legislation on homelessness. With the housing stock transfer, in which I was particularly involved, we managed to develop the means to have perhaps the highest level of housing investment, in the neediest parts of Scotland, that has ever been achieved. That speaks to one of the great successes of the Parliament, which is the focus on the experience of Scottish people: to be hard-nosed and hard-edged; to focus always on the Scottish people's interests; not to allow ourselves to be diverted into eccentric political debate; and always to keep the mainstream of Scottish interests at the forefront of our minds. I hope that the Scotland Bill will allow that to continue.

I am sure that my hon. Friend the Member for Kilmarnock and Loudoun, who shares my privileged position, has also often been asked to draw parallels between the experience at Westminster and in the Scottish Parliament. Although I would not want to digress, I make two comments about that. In the early days of the Scottish Parliament, the worst thing that we could do, and that we would be chastised for—I am sure that the Under-Secretary, the right hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), would agree—was to emulate Westminster. If we behaved in any way

that was comparable to Westminster, we were criticised enormously. We saw ourselves as a more consensual, transparent and accessible Parliament. I would argue that the high number of women in the Parliament helped to establish that, although I am less on the consensual end of the spectrum than some others, such as perhaps my hon. Friend the Member for Kilmarnock and Loudoun.

I am struck by my experience in this place, however, and I think that the Scottish Parliament now does need to learn from Westminster's much more sophisticated mechanisms for ensuring that Government, as opposed to Parliament, are held to account. The Bill begins to address that. This Parliament's treatment of its authority and reach is also much more thorough than that of the Scottish Parliament. That might be explained to some extent by the Scottish Parliament's youth, but the time is right to consider those big issues. The Scotland Bill allows us to do some of that.

According to international research and assessment, one of the strongest features of the Scottish Parliament is its Committee system. That system allows people to be interrogated about legislation and research to be consulted. It is based on the principles of evidence, engagement and analysis, and serves as a model in that regard. The Calman commission could be said to have copied that system, and to have done so very effectively. Evidence-led policy development must be centre stage.

Like others, I thank and congratulate those who served on the commission. They devoted time to taking stock of where we are in Scotland, and to outline an agenda for taking Scotland forward. I hope that, as we examine their conclusions and the extent to which they have been incorporated in the Bill, we will learn from a process that managed to bring the broader body politic into the detail of some of the commission's discussions, because I think it can enhance democracy considerably.

One of the principles of such a process is that it is cross-party. As those who are familiar with Scottish debate will know, that is not easy to achieve in Scotland, as the current operations of the Scottish Parliament illustrate. The Scottish Government rarely command a majority vote in the Parliament: education motions, for example, are regularly defeated, and the Government pay no attention. I think that that is very serious, but it contrasts starkly with the majority support for Calman's work, which is highly significant.

I recognise the work that the Government have done in the Bill in relation to borrowing powers and financial accountability, which will advance the Scotland debate significantly. However, I want to draw attention to a very important issue that is particularly relevant to my constituency. As many Members will know, it was the death of a very young child that triggered—if the House will forgive the expression—the debate in Scotland about the use of airguns. A young boy, Andrew Morton, who was only two years old, was shot dead in my constituency with an airgun. I pay tribute to the Morton family, who have campaigned for many years. They have lived with terrible tragedy, but ,with great dignity, have managed to pull themselves together and argue the case for the banning of airguns.

I have listened carefully to what many people have said about the difficulties of legislating on such matters. Let me take this opportunity to thank my hon. Friend the Member for Kilmarnock and Loudoun, who at the time of that terrible death was Minister for Justice in Scotland. She met the Morton family, and worked closely with them to see what could be done. We appreciate that there is no easy solution, and that simply banning something does not mean that the problem will go away. I do not necessarily want to cause difficulties for sporting communities in Scotland, and I realise that we must test the legislation as we go through it in order to ensure that it is proportionate. However, I plead with the Minister to bear in mind the experience of the Morton family, to bear in mind the fact that 11,000 people signed the petition they delivered, and to understand the basic, essential, human emotion involved.

That airgun was not the most dangerous kind available, and it was a kind that is easily available. However, although it was not particularly dangerous in itself, in the wrong hands it caused terrible tragedy. We must do all that we can to protect people from the worst excesses caused by the use of such guns.

The other key aspect of the Mortons' experience was that they saw the Scottish Parliament as the place to go to protect their family. That was right and understandable, because at the time crime and justice were the subject of a huge debate in Scotland, led by my hon. Friend the Member for Kilmarnock and Loudoun. I think that we too should have that debate, and I plead with the Minister to allow it to take place.

In conclusion, the Bill is a key stage in the development of devolution in Scotland, and I believe that it speaks to majority Scottish opinion. We perhaps need to test some of the powers more thoroughly to ensure that they properly address the economic interests of Scotland, but I emphasise again that on some of the more significant human experiences we have within our grasp the powers to act to address things that matter fundamentally to Scots. I hope that we take the opportunity to do so.

4.35 pm

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I am particularly pleased to have the opportunity to speak in this debate. As the hon. Member for Epping Forest (Mrs Laing) said, this is Burns week, when people across the world celebrate their Scottish roots. I always enjoy this time of year because people are asking me for advice on how to pronounce particular Scots words, rather than gently—or perhaps not so gently—mocking my native Ayrshire accent. Some of my Scottish Parliament staff have found the transition to Westminster slightly more difficult. At one point, my diary secretary had to explain what was meant by the fact that my diary was "stappit" and I was therefore unable to make a particular event. For the benefit of the *Hansard* reporters and any translators, I should say that "stappit" simply means very full.

In the past week, the new Burns museum opened in Alloway, in the constituency of my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne), and that superb new venue hosted the Burns humanitarian award ceremony, with Linda Norgrove being a very worthy posthumous winner. With due deference to my hon. Friends the Members for Ayr, Carrick and Cumnock and for Dumfries and Galloway (Mr Brown), we Mauchline residents are fond of saying that although Robert Burns was born in Alloway and died in Dumfries, he lived in our village. It was therefore a pleasure to join the

[Cathy Jamieson]

Mauchline Burns club to lay a wreath at the Burns national memorial in Mauchline on Burns day this week.

I reassure you that I am not about to continue a treatise on Robert Burns, Mr Deputy Speaker, as there will be other opportunities for that. However, the references to him are relevant, because Burns was intensely concerned about Scotland and the Scottish people and, despite what some SNP Members might claim, not from a narrow nationalist perspective. Burns was an internationalist who looked beyond geographical boundaries and got to the heart of humanity, and that is very much the spirit of Scotland today. We are all proud to be Scots and we will be passionately patriotic at football and on the full range of other areas, but we all know that Scots have made a much wider contribution to the world than simply looking after our own backyard. The vast majority of working-class Scots certainly know that we have more in common with our neighbours who live south of the border in similar communities than divides us.

So when we take forward the debate on the Scotland Bill we must focus on what we can deliver for people in Scotland; this cannot simply be an academic exercise that bears no relation to the lives of the people who send us here to represent their views. I am proud to have represented the Scottish Parliament constituency of Carrick, Cumnock and Doon Valley for more than 10 years, and I will continue to represent it for the next 54 days as I count them down. I hope that, rather than that simply being a matter for the public record, it might help to offer a distinct perspective to the matter in hand, as was the case with my hon. Friend the Member for Glasgow East (Margaret Curran).

As a number of hon. Members have said, the Bill is broadly based on the Calman commission report, and I, too, wish to put on record my appreciation for what was a thorough and robust process involving a broad section of Scottish civil society. Sir Kenneth Calman has produced a significant body of work in which all those associated with it can take pride. I am in broad agreement with the aims of the Bill—perhaps people will say that that is no surprise—and I will be supporting it. However, as I shall set out, I believe that some aspects of it should be thoroughly and robustly examined, not least by the Select Committee on Scottish Affairs, and scrutinised in this Chamber.

In the foreword to the White Paper on devolution, Donald Dewar wrote:

> "The Government's aim is a fair and just settlement for Scotland within the framework of the United Kingdom—a settlement which will be good both for Scotland and the United Kingdom. The Scottish Parliament will strengthen democratic control and make government more accountable to the people of Scotland."

That was the basis of the Bill that fundamentally altered the structure of power in the United Kingdom.

On 11 September 1997, just over five months after Labour came to power, 74% of Scots voted in favour of the establishment of a Scottish Parliament. On 1 July 1999, the Scottish Parliament was officially convened. That date marked the transfer of powers and devolved matters to Scottish Ministers, and it was a time of immense pride for the vast majority of the Scottish people. As my hon. Friend the Member for Glasgow East has observed, those of us who were fortunate enough to be part of that day will forever feel that we were part of the history of Scotland. So quick and seamless were the transfer of powers and their incorporation into Scottish life that the enormity of the development and the significance of the change in a relatively short time might not always be acknowledged in the manner that it should be.

Notwithstanding the controversy over the Parliament building, my right hon. Friend the Under-Secretary—I will call him my right hon. Friend in recognition of the days that we spent in the Scottish Parliament—will recall that some of the other debates in those early days were passionate and had a real energy and enthusiasm for the change that was taking place. That was due in no small part to the work of the Scottish Constitutional Convention over almost two decades, as was acknowledged by the right hon. Member for Gordon (Malcolm Bruce). The convention was established in 1989 and consisted of representatives of civic Scotland and of most of the political parties. It drew up a detailed blueprint for devolution and outlined the proposals for the directly elected Scottish Parliament, crucially with the legislative powers that were finally achieved. That also formed the basis for the further proposals that were introduced by the UK Government in 1997.

I am proud to associate myself with the achievements of the Scottish Parliament over the past decade. As a Parliament, we set out to change Scotland for the better. A substantial body of work was undertaken, starting with the abolition of a millennium of feudal tenure, with communities being given the right to buy and manage the land on which they lived and worked. This was symbolic as well as practical. We also ensured that our elderly people could live with dignity and respect by introducing free personal care. We led on public well-being in the UK by introducing the smoking ban in public places, which represented a step change in the way we dealt with health issues in Scotland.

The Scottish Parliament also introduced an unprecedented programme of school and hospital building, ensuring that our children no longer had to be taught in substandard buildings and that our sick would no longer be abandoned to Victorian conditions in hospitals. We abolished up-front tuition fees and introduced bursaries for the less well-off students, which resulted in more young people going on to further education in Scotland than ever before. We also introduced a ban on fox hunting. I was particularly pleased with the establishment of a Children's Commissioner for Scotland, for which I had campaigned for about 10 years before I even thought of becoming a full-time politician. The repeal of section 28 was controversial at the time, but now it is completely accepted as having been the right thing to do in the pursuit of equality. It was a Parliament that challenged Scotland to think about its future. It tried to engage every Scot in the challenges that we faced, and it led public debate in civil society. It is a Parliament that continues to ensure that there is a focus on protecting the most vulnerable, and it has made a real difference to the lives of everyone in Scotland.

The Calman commission came along at the right time, however. It published its findings after just a decade of the devolution settlement, and that seems an appropriate length of time after which to offer an initial assessment of how the Parliament has worked, as well as how we need to move on. Since 1999, the devolution

settlement has remained relatively static, but I think that that was right at the time, as it allowed things to bed in and allowed the Parliament to take shape. Some minor changes were made. The Scottish Parliament (Constituencies) Act 2004 retained the current level of representation at 129 MSPs. That was done in recognition of the youth of the Parliament as well as the range of work that it was undertaking at the time. We have heard other examples of minor tweaks, not least the Railways Act 2005—perhaps not so minor a tweak—which allowed Scottish Ministers to prepare a strategy for carrying out their functions in relation to railways and railway services. That was another practical and sensible change.

It is now time, of course, to consider the future. The task that the Calman commission was set was:

"To review the provisions of the Scotland Act 1998 in the light of experience and to recommend any changes to the present constitutional arrangements that would enable the Scottish Parliament to serve the people of Scotland better"—

for me, that is the critical point—as well as to

"improve the financial accountability of the Scottish Parliament".

That is what I want to talk about now.

The Calman analysis of the current settlement, notwithstanding some of the criticisms we have heard in the Chamber today, is persuasive. England and Scotland have been part of the Union for three centuries but Scotland maintains its own identity and now has its own devolved political institutions. Overall, people would say the devolution settlement has been shown to work pretty well. It has not led to the convoluted or confused relationship with other partners in the United Kingdom that some people thought it might; nor has it led down a one-way street towards independence, as others feared. There are changes that we can and must make in order to take forward this work in the future.

There is cross-party understanding that the financial arrangements lack the financial accountability we will want to see as the Parliament progresses. By depending wholly on the Westminster grant, the budget bears no relation to economic performance in Scotland. As we have seen in recent years with differing strands of opinion in power at Holyrood and Westminster, that can result in friction between Governments. The premise of the Calman commission was that election to the Scottish Parliament should be accompanied not just by being there to divide up the block grant but by having fiscal accountability, too. Under the proposed arrangements, Scotland will become more dependent on and more accountable for the tax revenue it raises.

As we have heard, the Bill replaces the Scottish variable rate of income tax with a new Scottish rate of income tax that will be decided by the Scottish Parliament annually and applied consistently to the basic, higher and additional rates of income tax. The grant from the UK Government will automatically be reduced by 10p in the pound and the Scottish rate will be added to it. In principle, I support the proposed measures, but we must ensure that there is proper and thorough scrutiny of what they will mean as the Bill goes through Parliament.

Under the proposals, the UK will retain control of exemptions and reliefs and Scottish tax revenues will be subject to Westminster control. One concern that has been raised is that when the UK takes decisions such as increasing the personal allowance to £9,000 or eliminating the 50% top rate, that will affect Scottish revenues. We have heard criticisms of that today as well as some attempted reassurances. A critical point that we must reach in Committee will involve ensuring that we receive reassurances about how that will work as well as assurances that it will not cause further problems or lead to unintended consequences, as has been suggested in Scotland.

Borrowing powers will also be introduced, another move that I broadly support. We have heard that from 2015, Ministers will be allowed to borrow up to 10% of the Scottish budget in any one year subject to an overall limit on capital borrowing of £2.2 billion. In principle, that will be a positive step that should allow key infrastructure projects to proceed as and when the Parliament believes they are necessary. The Bill also provides, however, that the Scottish Parliament will be able to borrow £500 million through new revenue borrowing powers when tax receipts fall short of those anticipated. At first glance, that offers limited flexibility and would mean that Scotland could be under pressure to make spending cuts should a significant shortfall arise. I am sure that that will be considered further as the Bill makes progress.

As scrutiny takes place, we must ensure that we consider the financial calculations and the financial implications of Calman in light of our present economic circumstances. That is the right and responsible approach as we continue to scrutinise the Bill. It is not enough simply to say, as SNP Members appear to be saying, that the Bill does not go far enough, so they are going to vote against the extra powers it will give. That is a rather odd stance for them to take. I might have misunderstood them, and no doubt they will correct that misapprehension if I have, but it certainly sounded like that to me.

I hope that one option we will consider during our scrutiny of the Bill is whether the proposal regarding the Scottish Parliament's borrowing powers can be brought forward slightly more quickly than the Bill proposes. That is up for debate and would be useful to allow the planning of key infrastructure. It would also have the benefit of assisting what is currently a pretty beleaguered construction sector in Scotland.

Several issues have not been mentioned and I shall mention them briefly before concluding. The measures on licensing the prescription of controlled substances to deal with certain addiction problems make sense and I am sure we will want to consider that issue in more detail in Committee.

As my hon. Friend the Member for Glasgow East has highlighted, the devolution of the competency over air weapons to the Scottish Parliament will potentially allow the introduction of a different approach and licensing system there. She mentioned my time as Scotland's Justice Minister. In that role, I had discussions with different Home Secretaries—four at the last count—to decide how best to ensure that people in Scotland were protected from those who would use air weapons irresponsibly. We agreed that our approach should not be taken forward in an ad hoc way and should not simply be a soundbite solution that would please a few people but would not actually deliver. That is why I am pleased that we will have the opportunity to scrutinise that issue properly and come up with a workable solution.

As I have said, the financial relationship between the Scottish Parliament, the people of Scotland and the rest of the UK is vital. Let me respond to some of the comments from SNP Members about our scrutiny of

[Cathy Jamieson]

the Bill. I do not recall being given much quarter by Labour Back Benchers when I was a Labour Minister in the Scottish Government—I have no problem calling it that although it is technically called the Scottish Executive—and I am sure that during our debates on this Bill, Labour Members will properly seek to scrutinise every clause and line of the Bill to ensure that we are doing the right thing.

We should keep at the forefront of our minds the reason why we are doing all this. It is not a dry, academic exercise only for text books and discussion in learned tomes. It is about making a difference for the people of Scotland whom we represent. We must make the Bill relevant to people, because nothing will drive them away faster from engaging in the process than if they believe it is not a Bill for them—that it is only for politicians and will not affect their lives. If that happened, we would lose a considerable amount because we would be moving away from the intention of the late Donald Dewar, which was to make the Government more accountable to the people of Scotland.

There is plenty of public opinion and evidence in Scotland that people want a stronger form of devolution than at present, and they look to us to find the way forward. They might not know exactly the chapter and verse—where they want the t's crossed and the i's dotted in the legislation—but they look to us to take forward the principles and spirit of devolution and to come up with solutions. We have a unique opportunity in this Parliament to reshape how devolution works with a more comprehensive approach, so I welcome the Bill and look forward to our continued scrutiny of it as it goes through Parliament.

4.54 pm

Stewart Hosie (Dundee East) (SNP): It is a genuine pleasure to follow the hon. Member for Kilmarnock and Loudoun (Cathy Jamieson), who said a number of things with which I agree entirely. Twice she said that this should not be a dry, academic exercise, the first time stating that it was not about the powers, but the policies that they are used for.

On the Bill's proposals for enhanced financial powers, with which we agree, I wish to set out in a little detail precisely what we would do with them and why we back them. I would also like to clear up a slight misunderstanding: we will absolutely not stand in the way of the Bill. The SNP will never stand in the way of additional powers coming to Scotland. The reason for the reasoned amendment, and for the amendments that we will table in Committee and beyond, is our desire to strengthen the Bill by ironing out some of the flaws and making it better. That is what we should all be doing. Notwithstanding the fact that we are only 100 days away from the Scottish election, at heart we all want the Bill to be as good as it can be.

David Mundell: I am afraid that I do not understand the logic of the hon. Gentleman's argument, because his so-called reasoned amendment suggests that the Bill is "unacceptable". The logic of his argument is that if he does not succeed in making the amendment—and he must accept that he is unlikely to do so—he will be unable to support the Bill in an unamended form.

Stewart Hosie: It is rather obvious that we are seeking to make the Bill better. In its current form it will not work, and I will explain why in a moment. I do not believe that it will meet even the honourable objectives that the Government have set out.

David Mundell: I think that the House deserves some clarification from the hon. Gentleman. If the amendment that he is promoting does not prevail and the Bill progresses in essentially the same form, perhaps with only some minor amendments, is he saying that his party will not accept it?

Stewart Hosie: I now see what the Minister is asking. I have every confidence that, when we coalesce in Committee, the common sense of Members from all parties will lead to a number of successful amendments that will improve the Bill, perhaps by addressing the weaknesses in the financial powers, for example, to which the hon. Member for Kilmarnock and Loudoun alluded. We will wait until the subsequent stages before deciding on the Bill, which might have been changed substantially by then.

Cathy Jamieson: Will the hon. Gentleman give way?

Stewart Hosie: I will take one more intervention before starting line 1 of my speech.

Cathy Jamieson: My understanding was that the hon. Gentleman indicated earlier that he would divide the House on the amendment, the last line of which states that the House

"considers the Bill as a whole to be unacceptable."

Given the spirit of consensus that appears to be breaking out, will he now consider withdrawing the amendment so that we can move forward on the basis of consensus?

Stewart Hosie: The arguments in favour of the reasoned amendment will be made and they will explain, I hope with some support, why there are flaws in the Bill.

The Bill contains two fundamental fiscal measures: first, the reduction in the basic higher and additional rates of income tax by 10p, and the setting of a Scottish rate to compensate for that; and secondly, the availability of limited revenue and capital borrowing powers. Revenue borrowing will fill a part of the gap left when revenue decreases and a limited increase in capital borrowing will enhance direct capital investment.

However, the income tax powers are inadequate and include an in-built, long-term deflationary bias in the Scottish budget. The borrowing powers, particularly the revenue powers, are so tightly controlled that they are unlikely to be effective in delivering the sensible outcomes that many of us want. It is also worth noting that even the devolution of the income tax, the small stamp duty land tax and the landfill tax means that the Scottish Parliament will still have direct control of only 15% of the taxes raised in Scotland, with the remaining 85% accruing directly to London. I do not intend to talk about full fiscal autonomy, which there has been some talk of, but as a comparator we can look to the Basque country, which has been mentioned. It controls around 86% of its revenue.

I want to concentrate on the specific problems with income tax provisions. Receipts are sensitive to changes in economic circumstances and might fall dramatically in a downturn, as I will explain later. That presents an instability to the budget in Scotland, because we are talking mainly about income tax and the shortfall that would not be matched by the Bill's provision of very limited borrowing powers. Growth in income tax revenue is low when compared with that of total tax revenue, and that is obviously deflationary, because only the modest growth in income tax will accrue to the Scottish Parliament, with the higher growth in total tax accruing still to London.

The figures between 2004-05 and 2008-09, for example, show that total tax revenue increased by £13.7 billion, but under the proposed plan the Scottish Government, although they control 15% of the tax, will receive only 9% of the increase. That automatically begins to squeeze the Scottish budget. Even within income tax, the most significant growth comes from the higher rates, and most of that growth will not be available to Scotland.

Historically, higher rate taxpayers account for a larger share of the growth in tax receipts, and therefore most of the growth in income tax receipts will accrue directly to Westminster, not to Scotland. We might, in fact, receive a declining share of Scotland's income tax yields, because we are assigned half the basic rate, one quarter of the 40% rate and only 20% of the 50% rate. The impact of that deflationary bias can best be demonstrated by assuming that the powers had been in place since 1999-2000. Since then, the impact of the shortfall against forecast departmental expenditure limits would have represented an accumulative cut of about £8 billion.

David Mowat: I understand the hon. Gentleman's point about a deflationary bias vis-à-vis the total tax take, but, in comparing the proposal before us with the status quo, what is relevant is the increase in income tax versus the increase in public spending. That is the basis on which the current Barnett allocation works, and on that basis Scotland is likely to do better in the short term.

Stewart Hosie: That is not necessarily true, and we need to look at both these measures: the growth in income tax versus the growth in total tax, and the percentage of the share of growth that we receive from income tax alone, owing to how it will be assigned to Scotland, with most of the higher parts being accrued still by the UK, where growth is likely to be higher.

Anas Sarwar: Does the hon. Gentleman accept that, under the arrangement imposed by the Bill, we would share not only the potential benefits, but the potential risks?

Stewart Hosie: Notwithstanding the deflationary bias, there might be growth in some elements of income tax revenue, but in terms of sharing risks the downsides for Scotland are much greater. In an intervention, I said that, if a future Scottish Government chose, for example, to reduce income tax to stimulate economic growth and it worked, they would take the hit in reduced income tax revenue, but the UK Government would benefit from the additional corporation tax yield. There are probably more downsides than upsides, because the range of devolved taxes is limited and, in cash terms, involve almost exclusively income tax.

The other problem is that the provisions fall foul of not being fully devolved. Income tax rates do not stand on their own; they must be looked at alongside allowances and thresholds, neither of which is being devolved. So the consequence of a significant change, in particular the UK Government's plan to increase personal allowances to £10,000, which in principle is a very good policy, could mean a reduction in funding to Scotland of between £800 million and £1 billion a year.

Iain Stewart: Will the hon. Gentleman give way?

Stewart Hosie: One second.

I am sure that such a change will not be allowed to happen, but UK Governments have announced 17 changes to income tax since 2007, and they would have affected the proportion of income tax revenue or receipts assigned to the Scottish Government. Those changes included not only the big headline splash on the £10,000 threshold, but 16 others, each of which would have affected the assignation of receipts to Scotland.

Even if the provisions did not result in a real-terms cut to the Scottish budget, which I believe they do, and even if they did not create an in-built deflationary bias, which I believe they do, they would still provide an unstable platform for the Scottish Government, precisely because of the volatility of income tax receipts in difficult times. At no time was that clearer than between 2007-08 and 2009-10, when income tax receipts fell by 7.3%. Over those two years, that would have led to a drop in Scottish revenue in excess of £1 billion, and that is presumably the point at which the revenue-borrowing powers are meant to kick in and help. I shall take the hon. Gentleman's intervention now, because the next part of my speech is complicated.

Iain Stewart: I want to return to the hon. Gentleman's point about changes to income tax allowances and other changes to the UK rates of income tax that would have a consequential effect. If I have read the Command Paper correctly, there will be a no-detriment rule. Therefore, if a change in the allowance structure has a consequential effect, the block grant will be adjusted appropriately.

Stewart Hosie: That is what the Command Paper says, but because the Barnett rules have the effect of squeezing income, we will have to see precisely how the no-detriment clause works. Will it be an up-front no-detriment clause that pays against forecasts, or will it be retrospective and pay only if the estimate be lower than the forecast? None of that is at all clear yet. That is precisely the kind of issue that we want to probe with more detailed amendments in Committee.

The limited borrowing powers are slightly poorly designed and would constrain the Scottish Government, rather than assist them. Fundamentally, the borrowings can be made not against forecast reductions in revenue, but against reconciled outturn receipts 12 months after the end of the financial year. That means that revenue borrowing cannot even act as an automatic stabiliser to fill the tax gap during a downturn—something that every party accepts is necessary and supports. In short, the powers will expose the Scottish Government to

[Stewart Hosie]

the full negative impact of the economic cycle, rather than present them with the ability to mitigate those problems.

Secondly, revenue borrowing will be capped at £200 million in a single year and at £500 million in total. Therefore, even if the timing of the borrowings could have been sorted out, the limits would have been inadequate to close the revenue gaps in 2008-09 and 2009-10, when the calculated budget shortfalls were £400 million and £800 million respectively. That might be what the hon. Member for Kilmarnock and Loudoun meant when she referred to the economic parts of the Bill.

Thirdly, the repayment of borrowings within four years almost certainly means that repayments will have to be made at precisely the wrong point in the economic cycle. To make that point more solid, I should explain that the proposals would have required the revenue borrowing needed to cover the shortfalls between 2008-09 and 2009-10 to be repaid in the current comprehensive spending review period, when the Scottish block grant is already under pressure from proposed cuts of more than £3 billion. Borrowing and repayment should be possible over the entire economic cycle and should not have arbitrary timelines attached to them. Cyclical borrowing can mitigate volatility, but the proposals will generate additional volatility in future budgets.

The highly limited revenue borrowing powers that are proposed will be further constrained because the first 0.5% of any shortfall—about £127 million in 2014-15—will have to be found from cuts in the cash reserve before retrospective revenue borrowings can even be found.

The second borrowing power in the Bill is for capital expenditure. It is welcome, but could be improved. The cumulative borrowing total that is set out is £2.2 billion. That is quite low compared with recent Scottish Government investment of more than £3 billion a year. Borrowing in any year will be limited to 10% of the capital DEL—approximately £230 million by 2014-15—not the total budget. For example, a replacement Forth crossing costing between £1.7 billion and £2.2 billion would use up the entire additional capital borrowing, if we were able to secure it under the constrained limits set out by the Treasury. The only way to increase the limit to allow additional borrowing would be for the UK Parliament to agree to a legislative amendment. I am not sure that that is the best approach for securing long-term sustainable capital investment.

The borrowing powers in the Bill will limit the Scottish Government to certain types of borrowing. They will be able to use loans, rather than bonds or other instruments that would provide greater flexibility. Transport for London, which is a local authority in respect of its borrowing powers, is currently issuing commercial paper worth £7 billion for Crossrail and other projects. Birmingham city council issued paper to the tune of £250 million in 2006, and it seems passing strange that what should be seriously enhanced powers for the Scottish Parliament would not even put it on a par with TFL or Birmingham city council in its ability to raise cash through commercial paper for important national infrastructure works.

We are also concerned, like the hon. Member for Kilmarnock and Loudoun, that the Bill might not provide access to capital quickly enough to meet Scotland's needs. The proposal is that access will commence from 2013, subject, as we heard earlier, to Treasury approval on a per-project basis. In the face of the budget cuts and the urgent need to invest in infrastructure, that is not soon enough.

The remaining tax proposals in the Bill are limited, although welcome. I have to say, however, that the Conservatives appear to have U-turned on some of the taxes that Calman said should be devolved. As I said, this is not a dry, academic exercise, and we would like stamp duty to be incremental, so that people do not pay the full whack for hitting the threshold. I am glad that responsibility for that is being devolved. It was worth £593 million in Scotland in 2008-09, but that was only 1.4% of all the non-North sea revenue raised in Scotland.

Fiona O'Donnell: The hon. Gentleman has been very reasonable in acknowledging the parts of the Bill of which he approves. Would his amendment not therefore have been more reasonable if it had said "on the whole" rather than "as a whole"?

Stewart Hosie: There are forms of words that can be accepted, tabled and selected and forms of words that cannot. I stand by the amendment, because it is important to challenge the Bill in areas in which we do not believe it comes up to scratch, and it would appear that many of our concerns are shared among the parties. To have a dry, sterile debate about the words in the amendment rather than its substantive nature does the Labour party no good. That is the only time I have been partisan in my entire speech, and I will stick to that.

Ian Murray *rose—*

Anas Sarwar *rose—*

Stewart Hosie: I am going to go on with my speech.

We would like the landfill tax to be used to support waste separation at source, recycling, waste minimisation and packaging reduction, so we welcome its being devolved. However, at £85 million, it represents only 0.2% of Scotland's non-North sea revenues. We welcome parts of the Bill, but there are significant weaknesses and flaws in it, and I believe that I have explained the potential deflationary bias in its main economic powers.

I have said that there are bits of the Bill that we like and bits that we need to change, and it is hugely disappointing that some of the Calman tax proposals have been excluded. The Government have decided not to devolve air passenger duty or aggregates duty. They argue that since aggregates duty is subject to challenges at EU level it cannot be devolved, but had it been devolved, the Scottish Government would have been required to take exactly the same cognisance of an EU decision as the UK Government. The same applies to other taxes. The Government argue that air passenger duty is under review and cannot be devolved, but the whole purpose of devolving responsibility is to allow the system to be different if it is sensible or necessary. They should devolve the matter first and then have the review in England. If the Scottish Government decided that they needed to have a review, they could do so in their own good time.

I am further disappointed that, as the right hon. Member for Stirling (Mrs McGuire) said, the Calman proposal on revenue from savings and dividend income was not included in the Bill. That would have been extremely important because of the link with income tax, and because of the complexity of the rates about which she spoke.

We will not stand in the way of the Bill, although we have set out a series of issues in our reasoned amendment.

Anas Sarwar: The hon. Gentleman has been very generous in giving way. He says that he will not stand in the way of the Bill, but the amendment clearly states that the SNP

"therefore considers the Bill as a whole to be unacceptable."

That means that if the amendment is not accepted, he will vote against the Bill and against new powers for the Scottish Parliament. Is that the wording in the amendment wrong, or is it just the wrong politics from the SNP?

Stewart Hosie: We are 10 years into devolution. We have a Scottish Parliament, of which everyone speaks highly. The Bill purports to devolve some significant powers and give additional responsibility, which is good. However, those powers are not good enough. If all Labour can do is snipe, "They didnae do that, they didnae do this," rather than consider the substantive issues—*[Interruption.]* I shall tell hon. Members what we will do: we will press our reasoned and reasonable amendment to a vote, but we will not oppose the measure. I hope that, when we deal with the matter seriously, through amendments on issues that we have identified in common, we will have less Second Reading, pre-election banter and make the Bill much better.

5.15 pm

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The hon. Member for Dundee East (Stewart Hosie) mentioned banter, and before I deal with the substance of the debate, I wish my hon. Friend the Member for East Lothian (Fiona O'Donnell) a very happy birthday. She made an excellent speech, despite the rather churlish sedentary comments of another hon. Member. It was not quite as good a speech as she made last night—but for those who missed that particular speech, I am afraid that it is not in *Hansard*, which is probably just as well.

I welcome the opportunity to speak about the Bill, which will strengthen devolution and increase the accountability of the Scottish Parliament to the people of Scotland. It will build on the historic work of the Labour Government in establishing the Scottish Parliament.

I campaigned for a Scottish Parliament as a teenager in 1997, even though I was not old enough to vote in the referendum. In the past decade, devolution has proved to be the right form of governance for Scotland. The Parliament has delivered free personal care for the elderly, guaranteed a nursery place for every three and four-year-old and led the way for the rest of the UK, as my hon. Friend the Member for Glasgow East (Margaret Curran) said, by introducing the smoking ban, among other measures.

The Scottish Parliament has been a great success, but after a decade of devolution, it was time to review how it works in practice. That is why the Labour Government established the Calman commission in response to the cross-party calls in the Scottish Parliament. The exception was, of course, the Scottish National party, which refused to have anything to do with those much-needed discussions.

Calman made several recommendations, including on tax-raising powers and responsibilities for capital borrowing. The Scottish Government have been accountable for spending taxpayers' money for the past 12 years, and it is now appropriate that they will be accountable for how it is raised. The powers will increase the proportion of revenue that the Scottish Parliament raises from around 15% to 35% and give the Parliament the ability to borrow nearly £3 million in capital and revenue expenditure. Greater powers over taxation will give Members of the Scottish Parliament a significant ability to stimulate sectors of the Scottish economy.

Pete Wishart: I am sure that the hon. Lady listened carefully to my hon. Friend the Member for Dundee East (Stewart Hosie) when he explained his problems with the Bill. He described a deflationary bias that is built into the heart of its financial provisions. Why does the hon. Lady not think that there is a deflationary bias? How is there no deflationary bias in the proposals as they stand?

Gemma Doyle: If the hon. Member for Dundee East (Stewart Hosie) would like to discuss that with me, I would be happy to do so when he is in the Chamber or on another occasion.

In addition to new powers on funding, Calman also recommended devolving powers to regulate air weapons, set the drink-drive limit and determine national speed limits. The inclusion of the transfer of those powers in the Bill is welcome. However, some points of concern obviously remain, such as the aggregates levy, food labelling and charity registration. We would welcome an update from the Under-Secretary on those matters. On the whole, the Bill is the right approach to strengthening devolution and preserving the Union.

In addition, the vast majority of Scots want that approach. Polls show that most want more powers for their Parliament while remaining within the UK. Indeed, some might say that Scottish people know that they have the best of both worlds: an effective Parliament that enables them to find Scottish solutions to Scottish problems while being part of the fifth largest economy in the world.

As the nationalists encourage us to engage in flag waving and sentimentalism, we should keep sight of the vital importance of our economic and cultural partnership in the UK. As I have already mentioned, Calman was established as a consequence of cross-party support, but it did not receive unanimous backing. Far from seeking to strengthen devolution within the Union, it is the ultimate goal of the SNP to break up Britain and to break the historic, cultural and economic ties that bring strength to Scotland and breadth to Britain.

Rather than engage in the process of making the Parliament stronger, the SNP chose to indulge in its own national conversation, as my hon. Friend the Member for Glasgow Central (Anas Sarwar) mentioned. By its own admission, it spent nearly £2 million on a conversation with itself on the terms of a referendum on full independence, which would have cost £9 million but was later abandoned anyway. That was a complete waste of money.

[Gemma Doyle]

So obsessed is the SNP with its separatist agenda that it refused to accept that most Scots do not want independence. The SNP does not understand that the priorities of ordinary Scots are protecting and creating jobs, better schools and hospitals, and making our communities safer. That is why Scots are not listening to the SNP any more.

Ian Murray: My hon. Friend mentioned the SNP obsession with independence. Does she agree that it is a sad indictment of the SNP that it was so desperate for a Conservative Government—against the wishes of the Scottish people—further to advance its independence agenda?

Gemma Doyle: That is very worrying. Before the general election last year, Alex Salmond in fact said that he would prop up a Tory Government if necessary, and as such I agree with my hon. Friend. When I talk to people in my constituency in West Dunbartonshire—

Mr MacNeil: Will the hon. Lady give way?

Gemma Doyle: Not at the moment.

People in my constituency tell me that their biggest concerns are about jobs. There are reports that there could be 1,700 local redundancies—*[Interruption.]* That illustrates the difference between Labour and SNP Members. I am talking about jobs in my constituency and not about independence, which is why I am not giving way at the moment. My constituents are concerned that there could be 1,700 local redundancies in my constituency alone as a result of the actions of this Tory-led Government. They are concerned about the impact of the VAT increase, spiralling fuel price increases, and the effects of cuts in tax credits and child benefits on their families. They fear the impact on local hospitals and their children's schools of the SNP's cuts in teachers and NHS staff.

Mr MacNeil: Would the hon. Lady prefer that powers over aspects of Scottish life that are important for keeping jobs in her constituency and my constituency were controlled in the Scottish Parliament, or would she prefer them to be controlled by the Tory-Liberal Government here in London? Does she prefer the Scottish Parliament or the Tory-Liberal Government?

Gemma Doyle: At the moment, I am afraid that I am not too keen on either, but we must work in both Parliaments.

People in my constituency do not share the SNP's obsession with the constitution, which is another reason why Scots do not listen to the SNP anymore. Who can blame them, given its record in government? Before the Scottish election in 2007, the SNP promised the earth to the people of Scotland, but it has broken promise after promise. It broke promises on schools and promises to scrap the council tax. Its promise to write off student debt and many others were also broken.

People are furious that the SNP Government are doing the Tories' job for them in Scotland. They are repeating the mistakes of the Thatcher years by cutting key economic budgets, and by cutting teachers and NHS staff by thousands.

Mr MacNeil: Will the hon. Lady give way?

Gemma Doyle: I have already given way to the hon. Gentleman, so may I make some progress please?

One reason why Scots voted for devolution in '97 was that they lived through a Tory Government in the '80s who did not care about us, and who indeed used Scotland as a testing ground for their most reviled policy—the hated poll tax. The establishment of the Scottish Parliament should mean that we in Scotland have some defence against the worst excesses of any Tory Government, but that will not happen now that we have an SNP Government in Scotland.

People in my constituency have been hit by an SNP double whammy. An SNP-run council is mounting an attack on the most vulnerable by imposing unfair charges on the elderly and disabled, and an SNP Government are making cuts to local services that are deeper in my area than across the rest of Scotland. The figures bear that out. The SNP in government has seriously failed the people of Scotland and Scots continue to reject separation in massive numbers. As the SNP continues to pursue its obsession with separation, it becomes more and more out of touch by the day. That was highlighted by the hon. Member for Perth and North Perthshire (Pete Wishart) when he spent his time failing to speak to his amendment, but talking about Antarctica and caravans.

Pete Wishart: It is really sad that we are back to incoherent ranting in interchangeable speeches from Labour Members. Will the hon. Lady talk about the Bill? What amendments would she like to see to improve the Bill? Where can we achieve cross-party consensus to achieve a powerhouse Bill? What valuable contribution will she make in Committee to improve the Bill?

Gemma Doyle: Just before I gave way, I mentioned the hon. Gentleman's amendment, which I think was very generous of me, given that he did not speak to it at all.

The Calman commission concluded that the real way to strengthen devolution to make a real difference to the everyday lives of Scots is to give the Scottish Parliament some specific additional powers and some more responsibility for tax raising. The test of this Bill is whether it delivers those things effectively. I remain concerned about a few particular aspects of the Bill, but I hope that detailed scrutiny will make it stronger. On the whole, I believe that it will consolidate devolution and build on the transformation of the governance of Scotland delivered by Labour in 1999, and I look forward to supporting its progress through Parliament.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): On a point of order, Mr Deputy Speaker. Could you clarify the procedural consequences if the House were to vote in favour of the SNP amendment? Would it mean no Second Reading for the Bill and, therefore, no Committee stage?

Mr Deputy Speaker (Mr Nigel Evans): If the amendment were passed, the Bill could go forward—*[Interruption.]* I know what the hon. Gentleman is saying, but we would still go on to the main motion. He is talking about hypothetical situations. Let us see whether the amendment is pressed to a Division and what then happens.

5.27 pm

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): It is a pleasure to be able to make some remarks following this interesting and wide-ranging debate, which has been sometimes informed and often lively. I am sure that the Minister will wish to respond to specific points raised by hon. Members, so I shall endeavour to be concise.

In the opening speech, the Secretary of State set out the background to this Bill and the Calman commission that preceded it. Some hon. Members, in various capacities, have had some familiarity with the Calman commission over recent years, including the motion in the Scottish Parliament to establish the commission; its interim report; the report of the expert group on finance led by Anton Muscatelli; the final report by the commission; the White Paper before the general election; and the Bill published late last year. I pay tribute to the contribution made by the Secretary of State's officials in the Scotland Office and the often complex work that they have done to get to where we are today.

As my hon. Friend the Member for Glasgow North (Ann McKechin) made clear, the Labour party here and in the Scottish Parliament supports and welcomes the work of the Calman commission which underpins this Bill. That process was, by and large, an extensive exercise in basing recommendations on evidence, something that is not always apparent in debates on this issue, which understandably arouse passionate views.

In his usual lively and energetic—albeit lengthy—manner, the hon. Member for Perth and North Perthshire (Pete Wishart) spoke of his concerns about the level of scrutiny of the Bill. I hope that he was reassured by contributions from many other Members. The fact that we have made clear our broad support for the Bill does not mean that there are not issues that we wish to press further in Committee and reflect upon. That is a much more mature approach at this stage than a blanket dismissal of the Bill. Points have been made by Members representing all parties that we will look to test in Committee over the next few weeks.

My hon. Friend the Member for Glasgow North West (John Robertson) mentioned similar points, and the hon. Member for Epping Forest (Mrs Laing) reminded us of her memories of the scrutiny of the Scotland Act 1998 as it progressed through the House. I am sure that the Government Front-Bench team will look forward to her continued involvement in Committee over the next few weeks. Importantly, we will also reflect on the scrutiny work being carried out by the Scottish Parliament committee and the report of the Select Committee on Scottish Affairs on the Scotland Bill. My hon. Friends the Members for East Lothian (Fiona O'Donnell) and for Kilmarnock and Loudoun (Cathy Jamieson) are members of that Committee, as is the hon. Member for Banff and Buchan (Dr Whiteford), and no doubt they will provide robust scrutiny of the views and opinions of some of those whose work is prayed in aid by those who are against aspects of the Bill.

I would like to touch on a few of the points made during the debate. The hon. Member for Carlisle (John Stevenson) spoke from the perspective of a Scot who represents an English constituency. As an Englishman with a Scottish family and a Scottish constituency, I share his view that differences arising from devolution are not to be scoffed at, and in fact provide an opportunity for jurisdictions in different parts of the United Kingdom to learn from each other. He mentioned the cross-border issues that will particularly affect his constituents, and I know that they will affect the constituents of both Scotland Office Ministers as well. In particular, he mentioned drink-driving and speed limits. I am concerned that the largely thorough evidence brought to Calman might not have been as comprehensive in that area as in others. I am sure that we will need to consider in Committee the lack of evidence in those areas from key organisations and get some reassurances from Ministers, particularly on how the practical arrangements for cross-border issues will work.

The right hon. Member for Gordon (Malcolm Bruce) and my hon. Friend the Member for Livingston (Graeme Morrice) made the important point that there is not currently—and nor has there ever been—any appetite in Scotland for separating from the rest of the United Kingdom. The Scottish National party might think that there is, but as yet it has failed in every electoral test to convince the public to follow that course. From that perspective, it is therefore important that we use this opportunity to strengthen the Scottish Parliament as a part of the United Kingdom. That is in the interests of our constituents and accords with their views every time it has been tested.

My hon. Friends the Members for Edinburgh North and Leith (Mark Lazarowicz) and for Glasgow North referred to the omission of the Calman commission recommendation on charity regulation. I understand that the Command Paper makes it clear that a review of charity law is being undertaken, but that recommendation was present in the White Paper and is another point that we will wish to consider in Committee. My hon. Friend the Member for Livingston also referred to the omission of the Calman recommendation on food standards. As I am sure that Ministers are aware, the Scottish Retail Consortium has expressed its disappointment on that point. Again, we will look at the outcome of the scrutiny of both the Holyrood committee and the Scottish Affairs Committee to see how that can be rectified in due course.

My right hon. Friend the Member for Stirling (Mrs McGuire) and my hon. Friend the Member for Glasgow East (Margaret Curran) highlighted the concerns that remain about the lack of detail in the definition of firearms. That will also require further work; again, I hope that we will obtain assurances from Ministers in Committee.

The hon. Member for Milton Keynes South (Iain Stewart), who has spent some time in my constituency—he stood there unsuccessfully in the Scottish Parliament elections in 1999—rightly highlighted an important point about how the Barnett formula is used as shorthand for other issues. I am sure that he will spend some time speaking to his hon. Friend the hon. Member for Warrington South (David Mowat) about that. Importantly, those issues arise from a concern about the lack of accountability for the Scottish Parliament, an issue that the Bill seeks to address.

[Tom Greatrex]

My hon. Friend the Member for Glasgow North East (Mr Bain) referred to the detailed examination that underpins the financial propositions in the Bill. He was right to do so, and I would recommend that those Members who are interested look at the detailed work of the finance group on that issue. Importantly, my hon. Friend also drew the distinction between this constitutional Bill, which has been the subject of lengthy cross-party discussion and a process that translated across from one Government to another, and some of the other constitutional measures that this Government have introduced. I hope that the Government will reflect on that in all seriousness, because the best way of looking at detailed constitutional issues is to seek to take people along, rather than rushing things through quickly and then finding oneself in difficulty elsewhere.

My hon. Friends the Members for Kilmarnock and Loudoun and for Glasgow East spoke reflectively and knowledgeably from their perspective as sitting Members of the Scottish Parliament and former Ministers in previous Administrations in Scotland. They also reflected on the important issue—an issue that, although not in the Bill, is reflected in the Command Paper—of the relationships between the UK Government and the devolved Administration, and between the Parliaments. Those are important issues for us all to reflect on and get right, because at various points in the past there have been some perhaps rather more political interventions in those relationships and how they have worked, which have not always been to the good of the people of Scotland. My hon. Friends also both spoke about issues of key importance to their constituencies, on the basis of a great deal of experience.

The Labour party in Scotland believes in a strong Scottish Parliament and a strong Scotland. I hope that we will have the opportunity in a few short weeks to elect a strong Scottish Administration, but to do so as part of the United Kingdom, sharing risks and resources, as others have said, and because that reflects the views of the vast majority of the people of Scotland. As my right hon. Friend the Member for Stirling and my hon. Friend the Member for Kilmarnock and Loudoun rightly pointed out, that is what the people of Scotland have confirmed at every electoral test, including and since the referendum.

We will support the Bill on Second Reading. We support the process that underpins it and the degree of involvement that led to that, but there are also issues that we wish to test. There are issues that we will wish to reflect on following the scrutiny of the Holyrood committee and the Select Committee on Scottish Affairs. We will look to test those in Committee, perhaps by way of amendments, but we will do so in a serious, reflective and responsible way. We come to this measure as a party that believes in a Scottish Parliament as part of the United Kingdom, seeking not to undermine devolution, but to support and develop it. We look forward to the opportunity of doing so in the weeks to come.

5.38 pm

The Parliamentary Under-Secretary of State for Scotland (David Mundell): I begin by thanking all right hon. and hon. Members for their contributions to the debate. I shall try to deal with the detail raised in individual contributions as time allows.

Today's debate is a testament to the significance of the Scotland Bill for the future of Scotland and the United Kingdom. Although the opening of the Scottish Parliament in 1999 was quite rightly greeted with much fanfare—I was pleased to play my part in that day, along with the hon. Members for Kilmarnock and Loudoun (Cathy Jamieson) and for Glasgow East (Margaret Curran)—there was, as has been said, a recognition at that time of the view, which was personified by the then First Minister, Donald Dewar, that devolution was a process rather than an event.

Equally, it must be recognised that this Bill is part of a process within that process of devolution. It is part of the Calman process. The Calman process is one that I have been involved in from the very beginning. It began back in 2007, when I joined the then Scottish Secretary, now Lord Browne of Ladyton and the Government deputy Chief Whip, and the three parties' leaders at Holyrood, Wendy Alexander, Annabel Goldie and Nicol Stephen—I pay tribute to them, as did the hon. Member for Glasgow North East (Mr Bain)—in seeking to establish an independent review of Scottish devolution, 10 years on. I want to put on record the Government's thanks not just to them, but to the right hon. Member for East Renfrewshire (Mr Murphy) and all those who worked with him, to Iain Gray MSP and Tavish Scott MSP, who joined us over subsequent months in the cross-party steering group to lay the groundwork on how to implement the recommendations that emerged from the review.

It gives me great personal satisfaction to be part of a new coalition Government who are seeing Calman through. I know that the Opposition remain behind the process, too, and I was pleased to learn that on his visit to the Scottish Parliament on 30 June last year, the current Labour leader said that

"we also recognise the need for Scotland to have an ability to vary its tax rates on the basis of the Calman commission proposals."

I am glad there is at least one thing on the blank sheet of paper.

I welcome the considered remarks of the hon. Members for Glasgow North (Ann McKechin) and for Rutherglen and Hamilton West (Tom Greatrex). It was clear not just from their remarks but from many Back-Bench contributions from both sides of the House that this Bill will indeed receive due scrutiny in this House. Any suggestion to the contrary would be quite wrong.

Let me pick up on one or two of the points about taxation that the hon. Member for Glasgow North raised. I emphasise particularly that the Government, the Scottish Government and Her Majesty's Revenue and Customs are working together through the high-level implementation group and other forums to ensure that the tax system works in a way that minimises administration for business and makes it is as easy as possible for Scottish taxpayers to operate.

Our clear view is that the system that allows people resident in Scotland for tax purposes to have a distinct Scottish tax code will deal with many of the issues that have been reported. For example, the notion that everyone in Scotland will be required to fill in an income tax return when they do not do so currently is without foundation. I am sure that we will be able to return to these issues when we get into detailed examination of the Bill and debate the precise definition of "a Scottish taxpayer". I am sure that hon. Gentlemen and, indeed,

my hon. Friends, will come forward with the many and varied occupations that could provide a basis for challenging the definition of being resident in Scotland. I was not expecting to hear a reference to stage hypnotists today, but this shows the variety of issues in respect of which we can debate whether they should be devolved or not.

Pete Wishart: Antarctica!

David Mundell: Of course, Antarctica is another issue—it became of interest to the Scottish National party only when it discovered that it might no longer be devolved. As became clear in the debate, SNP policy on it is not exactly clear.

The Calman process provides a great example of different political parties working together in the national interest, and I am sure that Opposition Members will in due course come to see the coalition Government in a similar light. If the Bill benefits from being cross-party, it also benefits from being cross-Parliament. I have no doubt that the Bill, and support for it, will be enhanced through being tested by the unique tricameral scrutiny to which it is subject—in this House, in the other place and in the Scottish Parliament.

I was extremely disappointed by the way in which Scottish National party Members derided the Scottish Parliament process of scrutiny, about which the hon. Member for Glasgow East spoke eloquently, and which is accepted as one of the great assets of the Scottish Parliament. As ever with the Scottish National party, however, the issue is not the level of scrutiny but whether the scrutineers agree with it.

Stewart Hosie: The Minister is wrong: there was no criticism of the process of Scottish Parliament committee scrutiny, which is a model, an exemplar, a fantastic system. The difficulty was the shameful way in which certain witnesses and potential witnesses were treated. I am happy to defend them against the committee involved, which treated some of them appallingly.

David Mundell: Anybody who reads the transcripts will realise that it was the way in which the evidence was given, and its quality, that was the issue in the sessions concerned. I look forward to the evidence of Scotland's Finance Secretary when he is recalled to that committee. Given some of the comments of the hon. Member for Perth and North Perthshire (Pete Wishart), we will not take too many lessons from his party on respect within the context of a debate.

The commission's initial task was to review

"the provisions of the Scotland Act 1998 in the light of experience and to recommend any changes to the present constitutional arrangements that would enable the Scottish Parliament to serve the people of Scotland better, that would improve the financial accountability of the Scottish Parliament and that would continue to secure the position of Scotland within the United Kingdom."

As we have heard today, there is an overwhelming consensus in the House and in Scotland that the Bill lives up to that vision. It builds on the success of the first 11 years of the Scottish Parliament, and addresses Holyrood's one critical flaw: the lack of revenue-raising power to match its spending power.

On the amendment, I defer to the House and the Speaker, who selected it, but I am not sure how to respond. It clearly states that the Bill, in its present form, is unacceptable, yet when Scottish National party Members are asked whether they support the Bill, and whether they will support it if it emerges from the parliamentary process in broadly the same terms, they are unable to give an answer. I am afraid that the amendment strikes me as no more than a stunt—an opportunity to say, "We opposed it," while agreeing with it. It is absolutely ludicrous that a party, which has some worthy people in it—the worthiness of the views of many members of the SNP has been acknowledged—should come to the House and say, when additional powers for the Scottish Parliament are proposed, "No, we don't want them. Because we can't have our own way, we're not going to support the Bill."

Stewart Hosie: The Minister has not listened to the debate. We made it extremely clear that we will not stand in the way of any powers being devolved to Scotland. As the Bill stands, however, it has huge flaws and needs to be improved. That is a rather sensible thing to say, one would have thought, on Second Reading.

David Mundell: In that regard, the hon. Gentleman's comments are as incoherent as his comments in relation to the financial provisions. The SNP stands against the Bill, and will divide the House on the basis that the Bill is unacceptable. If the motion is carried, that, as Mr Deputy Speaker has indicated, would be the basis on which the Bill went forward. The position set out by the SNP is incoherent not just financially but constitutionally.

Let me now deal with some other, more sensible contributions. We heard from a number of old hands—old in terms of the devolution process, although not, of course, in terms of years. We heard from my hon. Friend the Member for Epping Forest (Mrs Laing), who described her experience of the scrutiny of the original Scotland Act. We also heard from the hon. Member for Central Ayrshire (Mr Donohoe), who is no longer in the Chamber, but who is a great supporter of devolution whenever the opportunity arises.

The right hon. Member for Gordon (Malcolm Bruce), who has campaigned on these issues for a long time and with some success, made a thoughtful speech. I can inform him that the United Kingdom Government as a whole will review charity law, and that, as we have made clear in the Command Paper, we felt that it would be better to enact the spirit of the Calman recommendations once that review had been completed in the rest of the UK.

A number of Members raised the question of changes in the income tax threshold. The Command Paper makes it clear that the Government would proceed on the basis of no detriment, and that any such changes would be accommodated in the block grant settlement.

I congratulate the hon. Member for East Lothian (Fiona O'Donnell) on the fact that she is celebrating her birthday, although I am slightly concerned that she should enjoy doing so in combat with some members of the SNP. During the course of the debate, I realised that there was an obvious gift for her: the book by my hon. Friend the Member for Milton Keynes South (Iain Stewart). As he revealed that he had a large number of copies, not only the hon. Lady but most of her constituents would be able to receive one.

[David Mundell]

My hon. Friend the Member for Carlisle (John Stevenson) made some important points about cross-border relations. As both the Secretary of State and I are well aware, people living in the border regions have long been able to cope with the differences on either side of the border. For instance, the well-established difference in the licensing laws that used to prevail did not cause any particular difficulties. The existing devolution settlement does not cause any difficulties, and the revised settlement will not cause any either.

The hon. Member for Livingston (Graeme Morrice) made the important point that strengthening devolution does not undermine the United Kingdom, but strengthens it. As well as giving us a précis of his book, my hon. Friend the Member for Milton Keynes South raised significant points about, for instance, pension plan payments. I can reassure him that the high-level implementation group involving HMRC is examining those issues at this moment.

My hon. Friend the Member for Warrington South (David Mowat) intervened on my hon. Friend the Member for Milton Keynes South on the subject of the Barnett formula, and was subsequently involved in a discussion of the subject. I accept that concern has been expressed about the system of devolution funding, but tackling the deficit is the Government's top priority, and any changes would await stabilisation of the public finances. The current funding arrangements—in essence, the Barnett formula—are set out in an administrative agreement rather than in statute, but the financing mechanism in the Bill would apply equally well to another way of calculating the block grant. The Bill does not fix the Barnett formula in stone for the future. It neither rules in nor rules out reform of the Barnett formula in the future; indeed, it is designed to be flexible in relation to alternative approaches to funding.

The right hon. Member for Stirling (Mrs McGuire), a seasoned campaigner on these issues, made a number of important points. I can reassure her that the Government are not devolving taxation in relation to savings and unearned income, so most of the things about which she expressed concern will not come to pass. The hon. Member for Glasgow North West (John Robertson), who is no longer in his place, has always been a staunch supporter of the nuclear industry, and he is to be commended for that. However, he will be aware that, after due consideration, the Calman commission concluded that there should be no change to the arrangements for new nuclear power stations in Scotland.

The hon. Member for Glasgow North East made an interesting point about a Scottish office for budget responsibility, and I look forward to hearing more about that in the next stage of the debate. As I have said on previous occasions, I very much welcome the hon. Members for Glasgow East and for Kilmarnock and Loudoun to this House, because they bring a great depth of experience of the Scottish Parliament and of being in government in Scotland—in coalition with the Liberal Democrats, of course. I reassure the hon. Member for Glasgow East, in her absence, that the Government are committed to the Bill's proposals on airguns and that I listened to the powerful case she made in that regard. Finally, I did welcome the contribution of the hon. Member for West Dunbartonshire (Gemma Doyle). However, although she is one of the younger Members of this House, it appeared that she was somewhat stuck in the 1980s.

My final remarks are for those people who have opposed this process, who have sat on the sidelines every time they have had an opportunity to contribute to this process and who are only able to come forward at the last minute with carping complaints. What I say to them is—

Mr MacNeil *rose—*

David Mundell: I have no time to give way.

I ask those people to reflect, in the few minutes left, on the fact that if they support this process and if their party supports more powers for the Scottish Parliament, they should not press their amendment to a Division. Interestingly, we heard a lot of quotes about academics who support the Calman process but, as Scottish Members will have noted, certain academics were very absent from today's debate.

I want to finish on a specific financial point. It is absolutely essential that we scotch the idea of an £8 billion deflationary bias that been mentioned repeatedly but has no factual basis. There is no deflationary bias about the financing mechanism that is at the heart of the Scotland Bill. The Scottish Government's assertions are based on a period when public spending rose faster than tax receipts—the very activity that resulted in record levels of borrowing and debt. That is unsustainable, and it is simply incorrect to infer that the result from that period equates to a deflationary bias. If implemented now, the means of financing would in fact benefit Scotland during the fiscal consolidation. I urge hon. Members to support the Bill.

Question put, That the amendment be made.

The House divided: Ayes 5, Noes 252.

Division No. 184] **[5.59 pm**

AYES

Hosie, Stewart
Robertson, Angus
Weir, Mr Mike
Whiteford, Dr Eilidh
Wishart, Pete

Tellers for the Ayes:
Mr Angus Brendan MacNeil and
Jonathan Edwards

NOES

Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bailey, Mr Adrian
Bain, Mr William
Baker, Norman
Baker, Steve
Baldwin, Harriett
Banks, Gordon
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berger, Luciana
Berry, Jake
Betts, Mr Clive
Bingham, Andrew
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brokenshire, James
Brown, Lyn
Brown, rh Mr Nicholas
Browne, Mr Jeremy
Bruce, rh Malcolm
Buckland, Mr Robert

Burley, Mr Aidan
Burns, Mr Simon
Burstow, Paul
Burt, Alistair
Byles, Dan
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
David, Mr Wayne
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Denham, rh Mr John
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle, Gemma
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Elphicke, Charlie
Eustice, George
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Field, Mr Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Gardiner, Barry
Gauke, Mr David
Gilbert, Stephen
Glen, John
Graham, Richard
Gray, Mr James
Grayling, rh Chris
Greatrex, Tom
Green, Damian
Greening, Justine
Greenwood, Lilian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hames, Duncan
Hamilton, Mr David
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harris, Rebecca
Hayes, Mr John
Heald, Mr Oliver
Healey, rh John
Heath, Mr David
Heaton-Harris, Chris
Hepburn, Mr Stephen
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunt, rh Mr Jeremy
Hurd, Mr Nick
Jamieson, Cathy
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kennedy, rh Mr Charles
Kirby, Simon
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Loughton, Tim
Luff, Peter
Macleod, Mary
McClymont, Gregg
McDonnell, John
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McLoughlin, rh Mr Patrick
McPartland, Stephen
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Michael, rh Alun
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morrice, Graeme *(Livingston)*
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Ian
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Donnell, Fiona
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Roy, Lindsay
Ruffley, Mr David
Rutley, David
Sarwar, Anas
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Skidmore, Chris
Skinner, Mr Dennis
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spellar, rh Mr John
Stanley, rh Sir John
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stunell, Andrew
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Teather, Sarah
Thurso, John
Tomlinson, Justin
Tredinnick, David
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Watkinson, Angela
Watson, Mr Tom
Weatherley, Mike
Wharton, James
White, Chris
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Zahawi, Nadhim

Tellers for the Noes:
Miss Chloe Smith and Norman Lamb

Question accordingly negatived.

Question put forthwith (Standing Order No. 62(2)), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time.

SCOTLAND BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Scotland Bill:

Committal

1. The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee

2. Proceedings in Committee of the whole House shall be completed in three days.

3. The proceedings shall be taken on the days shown in the first column of the following Table and in the order so shown.

4. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
First day	
Clauses 1 to 9, Schedule 1, Clauses 10 to 12, Schedule 2, Clauses 13 to 23.	The moment of interruption on the first day.

Proceedings	*Time for conclusion of proceedings*
Second and third days	
Clauses 24 to 26, Schedule 3, Clauses 27 to 29, Schedule 4, Clauses 30 and 31, Schedule 5, Clauses 32 to 39, new Clauses, new Schedules, remaining proceedings on the Bill.	The moment of interruption on the third day.

5. Standing Order No. 83B (Programming committees) shall not apply to the proceedings on the Bill in Committee of the whole House.

Consideration and Third Reading

6. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

7. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the day on which those proceedings are commenced, or one hour after they are commenced, whichever is the earlier.

8. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

9. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Mr Vara.)*

Question agreed to.

SCOTLAND BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purpose of any Act resulting from the Scotland Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided, and

(2) any increase attributable to the Act in the sums payable under the Scotland Act 1998 out of the National Loans Fund.—*(Mr Vara.)*

Question agreed to.

SCOTLAND BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)).

That, for the purposes of any Act resulting from the Scotland Bill, it is expedient to authorise—

(1) the imposition by virtue of a rate-setting resolution of the Scottish Parliament of charges to income tax in relation to the income of Scottish ratepayers,

(2) the making of provision, by Act of the Scottish Parliament, for imposing a tax to be charged on—

(a) the acquisition of an estate, interest, right or power in or over land in Scotland, or

(b) the acquisition of the benefit of an obligation, restriction or condition affecting the value of any such estate, interest, right or power,

(3) the making of provision, by Act of the Scottish Parliament, for imposing a tax to be charged on disposals to landfill made in Scotland,

(4) the amendment of the Scotland Act 1998 by Order in Council so as to—

(a) specify, as an additional tax about which provision may be made by Act of the Scottish Parliament, a tax of any description, or

(b) make any other modifications of the provisions relating to such taxes which Her Majesty considers necessary or expedient, and

(5) the payment of sums into the Consolidated Fund or the National Loans Fund.

In the Resolution, 'rate-setting resolution' means a resolution providing for a number which is to be added to the rate which would otherwise be paid by Scottish taxpayers, after the deduction of ten percentage points, to calculate the basic rate, higher rate or additional rate payable by those taxpayers for any tax year on income other than savings income and which is either a whole number or half a whole number.—*(Mr Vara.)*

Question agreed to.

Western Sahara

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Vara.)*

6.14 pm

Dr Andrew Murrison (South West Wiltshire) (Con): I must first declare my interests, which are entered in the overseas visits section of the Register of Members' Financial Interests. I am also chair of the all-party group on Morocco and the parliamentary link for the British Moroccan Association. I have been in touch with Western Sahara Campaign UK and Polisario and am grateful for their insights. I should make plain at the outset my admiration for Morocco, its history and people, and I am proud to represent the largest Moroccan expatriate community outside London.

I will spare the House the history and background of the Western Sahara dispute, which should be taken as read. I know that my hon. Friend the Member for Monmouth (David T. C. Davies) and the hon. Member for Islington North (Jeremy Corbyn) wish to speak in the debate, and my hon. Friend the Member for Hendon (Mr Offord) would have liked to contribute, as he attended the recent visit to Morocco and Western Sahara, but unfortunately he is unwell.

It seems to me that there are broadly three options for Western Sahara: the status quo, which has been described as "untenable" by the current UN special envoy, Christopher Ross; independence, which is unrealistic, according to Peter Van Walsum, the previous UN special envoy; and autonomy, which is the option we are left with. I will go through those options one by one.

I agree with Christopher Ross that the status quo is not an option. It is not an option for the inhabitants of the Tindouf camps or of the wider Maghreb, who continue to pay the price economically and socially. Violence in and around Laayoune in November, apparently whipped up by grievances over Sahrawi social conditions, left 11 officials and two civilians dead. We are told that the fingerprints of al-Qaeda in the Islamic Maghreb are not on that, just as there is no confirmed evidence of its complicity in the unrest in Tunisia and Algeria. Nevertheless, the status quo in Western Sahara offers an opportunity for fundamentalist terror groups to move out of their operating bases in the vast, barely governed spaces of Mali, Niger and southern Algeria.

There is no firm evidence of links between the Polisario and AQIM. Indeed, it seems unlikely that Algeria would be keen to support an organisation with formal links to AQIM. Nevertheless, the potential for fundamentalist terrorists to feed off poverty and grievance is clear. We simply cannot be complacent. In December, an arms cache attributed to AQIM was discovered by the Moroccan authorities in Western Sahara. It is vital that we shrink the space available to insurgents. We must always be vigilant for the sorts of opportunities that have been offered elsewhere.

I agree with Peter Van Walsum that independence is no option at all. We understand that the American and French Governments are at least sympathetic to Van Walsum's position, and the UK considers Western Sahara's status to be undetermined and disputed and has lined up behind the official UN position. Van Walsum was apparently replaced as UN special envoy because he said that independence was not realistic, which rendered him unacceptable to Polisario. Even if we agreed hypothetically with the principle of independence, we must consider whether it is practical or achievable. It would mean a country the size of Britain with a population smaller than that of Bristol. How could its Government guarantee internal and external security in a highly challenging environment without relying indefinitely on benign or malign foreign agencies? Would we be comfortable with such an entity becoming the client state of the People's Democratic Republic of Algeria, which many human rights campaigners see as militaristic, closed and repressive? We must be careful about supporting the creation of states that are inherently unstable. We must also be cautious because of the security threat highlighted by the terrorism and insurgency centre run by *Jane's*. Although it ranks Morocco's counter-terrorism measures as "moderately effective", it remains concerned about frontier security and unregulated migration.

In Europe, we are not disinterested bystanders. We have a stake in getting this right. Since the UK's treaty obligations have rendered our borders porous, for practical purposes the southern Mediterranean coastline is our frontier. The recent trouble in Tunis and Algeria does not read across directly to Morocco, but in the Maghreb and in Egypt we have seen significant civil unrest in recent days, which is a reminder of the fragility of countries with young populations, high youth unemployment and poor living standards.

The third option is autonomy. In April 2007, Morocco unveiled its autonomy plan for Western Sahara. In part, it represented a compromise and, in part, it reflected wider governance changes involving the greater devolution of powers within Morocco itself. The UN Security Council, in its resolution of 30 April 2010, noted the proposal and commended the

"serious and credible Moroccan efforts to move the process forward towards resolution."

In 2009, that was backed by the majority of US Congressmen and, in 2010, by the majority of the Senate.

America, which prides itself on being Morocco's oldest ally, has been understandably supportive. It knows very well the benefits of a federal model and has in its history incorporated, annexed and otherwise acquired territory on a grand scale. The plan that remains on the table would establish a Sahara autonomous region within the Kingdom of Morocco. It would have considerable autonomy and certainly move in the direction of the UN's support for what it calls

"self-determination of the people of the Western Sahara."

Some have even said that the powers over matters excluding foreign affairs, defence and the national judiciary exceed those devolved to Scotland and Wales. My hon. Friend the Member for Monmouth might wish to comment on that in due course.

There are, however, problems. Enumerating the Sahrawis, the Sahrawi diaspora and the resident Moroccan population is a challenge that seems almost overwhelming. It failed completely in 2000, but the job has to be done under both the independence and autonomy options. The only way we get out of it is if we are prepared to accept the status quo.

The Moroccan Government have said that they will not entertain a referendum with independence as an option, but unless we exclude those people who have

[Dr Andrew Murrison]

migrated since 1975, with the presumption that if we do so they will not enjoy the citizenship of any Western Saharan state, it seems unlikely that such a referendum will result in support for independence. That suggests that for Morocco the question of independence as an option is one mainly of principle, rather than avoidance.

Another sticking point is the extension of the UN mandate to include human rights. I think my Moroccan constituents would concur with the sentiments of two precepts in that respect, one secular, the other divine: "Be sure you've sorted the beam in your own eye before the mote in your brother's"; and "Don't make the perfect the enemy of the good."

There was outrage here when the US tried to suggest that there should be UN human rights monitoring in Northern Ireland, so we can begin to see how Morocco, a proud country, should also resist, particularly when it perceives that its eastern neighbour with a more questionable record is left alone. The major human rights movements have a presence in Western Sahara, and both Malcolm Smart of Amnesty and Eric Goldstein of Human Rights Watch say that they have not been restricted in investigating the November violence. Morocco has come a long way, but perhaps the time has come in the interests of facilitating a lasting settlement for it to swallow hard and allow human rights monitors, thus defusing the claims of its opponents.

Morocco has earned much respect for its autonomy plan, and Rabat might do well to accept an extension of the mandate of the United Nations Mission for the Referendum in Western Sahara, or MINURSO, but it would be ludicrous if that happened without including the Tindouf camps in southern Algeria, where light desperately needs to be shone on darkness. The UK has a money interest, as it has contributed to the €165 million in humanitarian aid through the European Community humanitarian aid office, with the promise of more to come. We should worry, in the context of reported hardship in the camps, about aid money that might not end up where it is supposed to, because aid falls into disrepute when that happens—whether it is bilateral or through the fingers of Brussels.

We have a duty to ensure that we know much more about the camps, and who and how many people are in them, if that money is to continue to be spent safely and effectively. The King of Morocco has issued reassurances to the refugees of the camps and undertaken to treat them well, and we understand that there has been a significant trickle back to Western Sahara, a process that is likely to develop as confidence is built up on all sides.

Can the Minister say what actions the UK has taken to ensure the safety of the high-ranking Polisario official, Mustapha Salma? We have only unconfirmed reports that he has taken refuge in Mauritania, and his family are allegedly unable to be united with him, as they are confined to Tindouf. What are we doing to clarify the position with Algeria? Whatever our position on the autonomy plan, we must recognise that Mustapha Salma's bravery, in defying Mohammed Abdel Aziz in order to support proposals that he believes are in the interests of his people, is admirable. His witness is a substantial contribution to what I believe to be gathering support for the autonomy plan.

So far, the UN special envoy process has presided over the status quo. Christopher Ross convened a meeting in December in New York and another last weekend, the outcome of which was another fixture for Geneva in February. We understand that that will focus on how family visits from the camps can more readily be achieved. What is the Minister's view on monitoring in the camps? How can the UK help to facilitate the safe passage of refugees who wish to visit family members in Western Sahara?

What have Baroness Ashton and her EU External Action Service been doing to move matters on? If we have to have it, it might as well do something useful. Given that Morocco counts as Europe's near abroad and that it has an association agreement with the EU, what progress has been made on security, migration and welfare?

Given that MINURSO's mandate is up for reaffirmation in April, what discussions have the UK Government had with the permanent members of the UN Security Council on the Moroccan Government's autonomy plan? What is the Minister's attitude to that plan? I hope that the UK Government can join France and the US in being sympathetic.

6.26 pm

Jeremy Corbyn (Islington North) (Lab): I thank the hon. Member for South West Wiltshire (Dr Murrison) for allowing me three minutes to speak, given that this is a time-limited Adjournment debate.

I am the chair of the all-party parliamentary group on Western Sahara. I first raised what I believe to be the plight of the Sahrawi refugees in the House in 1984, and have raised the matter consistently ever since. This is possibly one of the longest-running sores in the world, although the Palestine situation is even longer running. For a moment, we should spare a thought for the people who have been living in refugee camps in Algeria for this whole time—we are now on the third or fourth generation of such families. We must recognise that they have a functioning elected Government in exile, a functioning parliamentary system, and effective representatives in this country and around the world through their political party, Polisario. Indeed, Lamine Baali is a very effective representative of the Polisario in this country.

When I last raised this matter in the House, I sought a meeting with the Minister. I am grateful to him for replying. I received a letter from him today in which he made one or two important points that I will refer to quickly. First, he said that MINURSO needs to continue. I think I am right in saying that that is the only remaining UN-mandated organisation that does not have a human rights requirement. I think that it must have a human rights agenda that it observes, so that the issues of human rights abuse, at least, can be dealt with.

Secondly, the Minister visited Morocco recently and I believe that he is due to go there again—I am sure he will tell me if I am wrong about that. What is his perception and that of our ambassador on the current position in el-Aaiun, where unfortunately there was a great deal of violence last year? I understand that a number of parliamentarians from Europe and elsewhere were refused access to the city, as were a number of media people. I sought and obtained a meeting with the

Moroccan ambassador to discuss those issues, and I was assured that in future, parliamentarians would not be prevented from visiting el-Aaiun.

Thirdly, the EU fisheries agreement with Morocco expires on 27 January. I do not have a problem with the EU having a fisheries agreement with Morocco; I do have a problem with the idea that fish in the waters of Western Sahara should be taken by international fishing vessels, with the money being paid to Morocco and none of the benefits going to the Sahrawi people. That is an untenable position, which is of very questionable legality. I hope that this time, Britain will be prepared to block the EU fisheries agreement until it is recognised that without a resolution to the Western Sahara issue, the international community should not be making arrangements to take away the natural resources of Western Sahara any more than Morocco should be encouraging international companies to take away the mineral-rich resources in Western Sahara.

This is a post-colonial issue. It is the last remaining unresolved issue in Africa. The Government of Western Sahara are supported by Western Sahara Campaign UK and the African Union. By law, there has to be a resolution of the conflict in agreement with the wishes of the people of Western Sahara. There have been delays, obstructions and obfuscation about getting a referendum of the people of Western Sahara to bring about a solution, and I hope that the Minister will say that Britain is going to stand up for the rights of those people so that there can be a resolution based on international law, respect for the rights of the Sahrawi people and a free-standing referendum.

6.30 pm

David T. C. Davies (Monmouth) (Con): I will, of course, be extremely brief, because I know that the Minister wants to respond.

I should like to declare that I was in Laayoune about two weeks ago as a guest of the Moroccan Government, along with several other parliamentarians. There were no problems at all with getting access and moving around, and in our discussions with MINURSO, it made it clear that at no time had it had any problems in that regard. It made it pretty clear to us that it felt the Moroccan Government had behaved well on human rights issues in the area. That came from a completely independent body, and we should take it seriously.

The dispute is long running, and it is important for all of us that it is settled. I may not be an expert on north Africa, but I know a thing or two about devolution and the need to compromise sometimes. That is why it is important that we look very favourably at the autonomy agreement, which would provide far more autonomy than has been granted to Wales or Scotland. In fact, I would definitely have opposed it had it been offered in Wales or Scotland, because it is a big step on the route to independence. If that is what is required to settle the problems of the region, and to allow the Sahrawi people the access to human rights and growing wealth that we have seen around the rest of Morocco, we should view it favourably.

6.31 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I congratulate my hon. Friend the Member for South West Wiltshire (Dr Murrison) on securing the debate and on allowing the contributions of the hon. Member for Islington North (Jeremy Corbyn) and my hon. Friend the Member for Monmouth (David T. C. Davies). All three contributions indicated the seriousness with which the issue is taken on both sides of the House and the long-standing commitment to it of a number of Members. As the hon. Member for Islington North said, the problem is long running and difficult, and it exercises us all. I appreciate the way in which the House is dealing with it tonight.

The disputed territory of Western Sahara seems, in many ways, an intractable problem. However, the fact that it is difficult does not mean that we should not try to make progress. I share the concern of my hon. Friend the Member for South West Wiltshire about the unresolved status of Western Sahara, because the absence of a settlement prevents regional integration and co-operation on a range of important issues. The Government are committed to the United Nations Security Council position, calling for a just, lasting and mutually acceptable political solution that provides for the self-determination of the people of Western Sahara.

Sovereignty over Western Sahara has been contested between Morocco and the Polisario Front, the Sahrawi movement for independence, since 1975. The UN brokered a ceasefire in 1991 and set up MINURSO, the United Nations Mission for the Referendum in Western Sahara, as a peacekeeping operation with the intention of facilitating a public vote on the future of the territory within six months. Some 20 years later, that referendum is yet to be held and MINURSO's mandate continues to be renewed on an annual basis by the UN Security Council.

The UK fully supports the right of the Sahrawi people to exercise their right to self-determination and applauds the efforts of the UN Secretary-General's special envoy, Ambassador Christopher Ross, to encourage the parties to enter dialogue without preconditions. I have followed closely the progress of the negotiations convened by Ambassador Ross and am heartened that the atmosphere between the parties is one of cordiality and respect. However, the fact remains that as yet, neither party is prepared to countenance the proposal of the other as the single basis for any future negotiations. For Morocco, the solution is autonomy; for the Polisario, it is a referendum with independence as a possible outcome.

Where Ambassador Ross has succeeded is in delivering results in the important area of confidence-building measures. We are pleased that on 7 January, the programme of family visits by air between Moroccan administered Western Sahara and the Polisario-controlled refugee camps in Western Sahara was able to resume after a 10-month hiatus.

I would also like to congratulate the parties on their agreement to meet officials from the Office of the High Commissioner for Human Rights in Geneva from 9 to 10 February to discuss further confidence-building measures, such as the construction of a land bridge to facilitate visits by road. We wish these talks, which have the potential significantly to improve the lives of ordinary Sahrawis, every success.

However, those meetings alone are not sufficient to address the myriad voices that are gravely concerned about the accusations of human rights abuses made by both sides. The United Kingdom Government support the idea of independent verification of the human

[Alistair Burt]

rights situation. The UN currently has no role on the ground in monitoring human rights, nor is human rights monitoring built into the MINURSO mandate. Without an independent monitor, it is rarely possible to follow up allegations of human rights violations.

While remaining neutral on the political outcome of the disputed territory, the UK has played an active role in bringing the humanitarian aspects of the conflict to the forefront of the debate. To that end, we have considered a range of monitoring options, which we have circulated to the parties and the members of the Group of Friends, with the full support of Ambassador Christopher Ross. We have also held detailed talks with other members of the Group of Friends and Morocco on the substance of those proposals. I shall briefly summarise the components, which, we believe, a human rights monitoring mechanism requires to operate effectively and credibly. I note the remarks that my hon. Friend the Member for South West Wiltshire was good enough to make about the human rights mechanism.

It is essential that any human rights monitoring should apply in equal measure to the Moroccan-administered territory of Western Sahara and the Polisario-controlled refugee camps in Tindouf, Algeria. The mechanism must be, and be seen to be, independent. Its aims and objectives should be clearly set out and measurable to ensure that monitoring activities are effective and accountable. It would also be strongly preferable for the monitoring body to report to a body able to act on its findings. That is closely linked to the issue of the mandate, since MINURSO, Ambassador Ross, or the Security Council would be well placed to respond.

We are aware that the human rights situation cannot be discussed in isolation from the political sensitivities of the conflict, and I am genuinely grateful to Morocco for the spirit of engagement in which it has responded to the non-paper, which circulated the proposals. I am particularly grateful to my hon. Friend the Member for South West Wiltshire for his comments. It is sometimes difficult to accept an independent human rights monitoring aspect to any national state's work, but it can make a significant difference in confidence building, particularly in an area of disputed territory. The United Kingdom will continue to ensure that human rights and the human dimension of the conflict remain at the forefront of the debate, including during discussions on the MINURSO resolution at the UN in April.

That is all the more pressing in the light of recent developments in the disputed territory. As I am sure hon. Members know—it has already been mentioned—in early October, a large number of Sahrawis set up a protest camp just outside Laayoune. Their mass protests appear to have focused on socio-economic problems rather than on the question of Western Sahara's status. On 8 November, following failed negotiations and warnings to the protestors to disperse, the Moroccan royal gendarmerie and auxiliary forces carried out an operation to dismantle the camps. That resulted in the deaths of 12 security personnel at the camps and two civilians in the subsequent unrest in Laayoune.

We were deeply saddened to hear of those violent events and regret the loss of life. As the hon. Member for Islington North pointed out, we were also concerned to learn that, following those events, Morocco restricted access to the territory to several international observers. However, we were encouraged to learn that a confidence-building meeting between all parties, which was due to be held shortly afterwards in New York, went ahead, despite the difficulties.

It is our hope that the regrettable event—the incident at Laayoune—will underline to the international community the importance of taking a proactive approach to this year's Security Council negotiations on the renewal of MINURSO's mandate. Neither party must assume that the mandate will roll over as a matter of course. The UK has been active in calling for greater transparency, and we will continue to pursue this approach.

In answer to a question by my hon. Friend the Member for South West Wiltshire about our activity in relation to that, we used our November presidency of the UN Security Council to chair a Council meeting to gather evidence about the events in Western Sahara from Ambassador Ross and the assistant secretary-general for peacekeeping operations. We were disappointed to learn that, in the immediate aftermath, Morocco denied access to a number of international observers, including journalists, parliamentarians and NGOs, on security grounds. However, having visited Morocco shortly afterwards, I understand why the Moroccans felt that some elements of the international press markedly misrepresented the facts of the situation.

Our understanding now is that there are no restrictions on access to Western Sahara, and that members of civil society and international observers have been able to visit. An official from the British embassy in Rabat visited the territory in December 2010 and met a range of Moroccan officials, international bodies, UN agencies and local non-governmental organisations. I understand that the all-party parliamentary group was granted a similar level of access on its recent visit.

As hon. Members are rightly aware, I too have had the opportunity to travel to the region. During my visit to Morocco in December, I made clear to my interlocutors the benefits of a monitoring presence on the ground as the best way to ensure a balanced picture of events. I appreciate the serious, proper and open manner of our conversation, and that there was much concern about recent events. I also raised the matter during my visit to Algeria in November, where I communicated the UK's interest in a secure and prosperous region working well together. Again, I appreciated the Algerian Minister's response and understanding of the seriousness of the situation. As the world is showing us, such long-standing disputes have a habit of popping up at the least expected times, and it as well to continue to pay serious attention to them and try to get things moving.

Until the question of Western Sahara can be resolved, there is little chance of a significant improvement in Morocco-Algeria relations. The Maghreb is an emerging market and of growing strategic importance to the UK. We are also interested in encouraging greater political openness throughout the region, but perhaps that is happening of its own accord.

On the worrying hypothesis put forward by my hon. Friend the Member for South West Wiltshire, he rightly conjects that Western Sahara is potentially vulnerable to exploitation from extremists. The discovery earlier this month of a significant al-Qaeda in the Maghreb arms cache at Amghaha, 220 km from Laayoune, is of particular concern. We share the Moroccan Government's

concerns that AQIM is increasingly becoming involved in criminal activity throughout the region, although we must stress, as my hon. Friend said, that we have no evidence to suggest a link between AQIM and the Polisario. We are carefully monitoring the activities of AQIM and its links with other organisations. As in the case of other terrorist groups, the issue of Western Sahara continues to prevent meaningful co-operation across the Maghreb on combating the shared threat from extremist groups.

The hon. Member for Islington North referred to the fishing agreement. We believe that the EU-Morocco fisheries partnership agreement is consistent with international law, but we are aware of concerns about how the agreement is implemented, particularly in relation to its impact on the people of Western Sahara. The FPA is due to expire in February 2011, and we expect the negotiations on a new agreement to take into account any changes in the situation since it was first agreed.

My hon. Friend the Member for South West Wiltshire mentioned the EU External Action Service. The EU's partnership with Morocco is based on a commitment by the latter to uphold our common values. Respect for democratic principles, human rights and fundamental freedoms form the cornerstone of relations between the EU and Morocco. The consequences of the Western Sahara situation are discussed at all meetings between the two. The EU has emphasised to Morocco the importance that we attach to improving the human rights situation in the territory of Western Sahara. The matter was discussed at the latest meeting of the EU-Moroccan association committee in Rabat in October 2010, and Baroness Ashton is well sighted on it.

My hon. Friend referred to Mr Mustapha Salma. Officials from the British embassy in Rabat have met his family, and officials in London raised his case with the Polisario representative to the UK, so we are sighted on the issue. This matter will run—

6.44 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 31 January 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

RAF St Athan

1. **Alun Michael** (Cardiff South and Penarth) (Lab/Co-op): What plans he has for the future of RAF St Athan. [36734]

The Minister for the Armed Forces (Nick Harvey): The defence technical training change programme is currently considering options for the future location—or locations—of defence technical training. St Athan is one of the options being considered.

Alun Michael: I really do not understand the Government's approach to this one. Does the Minister not realise that not going ahead with the St Athan defence training establishment as proposed snatches the advantages of integrated training away from all three services, and will be a body blow to south Wales, which is a region that has always been massively supportive of the services? Can we please have a decision from the Government on something positive about the future of St Athan?

Nick Harvey: The right hon. Gentleman will be aware that the private finance initiative project to deliver an integrated solution at St Athan failed—it simply was not possible to find a cost-effective solution and raise the funds necessary to build it. However, it does not follow that we have abandoned the proposition of an integrated solution. That is precisely what is being pored over at the moment by the change programme team. We hope to be in a position to draw that work to a conclusion as soon as possible.

Caroline Dinenage (Gosport) (Con): Does the Minister accept that, in these times of financial hardship, rather than building a new facility it would make more sense to consolidate defence training in areas with spare capacity, such as HMS Sultan in my constituency? It delivers outstanding engineering training and is in the heart of a military community.

Nick Harvey: The current training takes place at a variety of locations across the three services, some of which, including HMS Sultan, are in good order and could provide training well into the future. However, I have to say that other locations are in rather less reputable states of order and will have to be replaced. The change programme is currently considering whether there are such overwhelming advantages to having everything on one site that they would overcome the case against leaving some of the better facilities, such as the one my hon. Friend mentioned. As soon as we have a conclusion, we will report to the House.

Armed Forces Pensions

2. **Mr David Hanson** (Delyn) (Lab): What estimate he has made of the number of armed forces personnel and their dependants who will be affected by proposed changes to the uprating of armed forces pensions; and if he will make a statement. [36735]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): The change in the future uprating of public service pensions to the consumer prices index applies to all new pensions coming into payment, those pensions currently in payment and to the future uprating of deferred pension rights. CPI is deemed more appropriate than the retail prices index because the Bank of England uses it to measure inflation and it is an internationally standard measure. We understand the concerns that have been raised about this matter, but such is the scale of the economic problems that we inherited that no part of society—not even the armed forces—can be fully exempt from the need to find ways to reduce the budget deficit.

Mr Hanson: I thank the Minister for that answer. He will be aware that the change to CPI will mean a lower pension for those currently on one, which will be particularly difficult for service personnel who are retiring early because of grievous injuries caused in conflicts we are currently undertaking. Will he confirm to the House whether the change is intended to be temporary for the purposes of deficit reduction, or whether he intends to short-change our personnel on a permanent basis?

Mr Robathan: We most certainly do care about those whose pensions may be affected. In April 2010, RPI was less than CPI—it was actually negative—so RPI is not always better than CPI for pension uprating. The move is intended to be permanent because it will go forward for all public sector pensions and will be how public sector pensions will be determined in the future. If the Opposition wish to change that, perhaps they should announce now that they will change all public pensions back to RPI, should they ever—God forbid—be re-elected to office.

Mr Jim Murphy (East Renfrewshire) (Lab): There is increasing anger about this policy, and that has now been joined and taken up brilliantly in a campaign by the *Daily Mirror*. Yet the Government will not say how much the move will save them; they will not admit that it could cost a young Afghan war widow £750,000 in payments; and they have not explained that although the deficit is temporary, this cut is permanent. I invite the right hon. Gentleman to offer a direct answer to a direct question: given that, as we now know, this is not about deficit reduction, has he consulted the armed forces families federations, and what have they told him about this permanent cut?

Mr Robathan: I shall be meeting the armed forces families federations in the very near future. However, I have been reading an article by the right hon. Gentleman in which he said that his pride in the armed forces was "lined with anger"—an interesting use of English! I was proud of the armed forces throughout the 18 years I served, and I, too, am angry—I am angry that we are faced with a financial situation that is damaging this country and our armed forces.

Iran (Nuclear Weapons)

3. **Richard Harrington** (Watford) (Con): What assessment he has made of Iran's potential nuclear weapons capability; and if he will make a statement. [36736]

The Secretary of State for Defence (Dr Liam Fox): Iran does not yet have nuclear weapons as assessed. However, it continues to pursue uranium enrichment and the construction of a heavy water research reactor, both of which have military potential, in defiance of UN Security Council resolutions. We share the very serious concerns of the International Atomic Energy Agency about Iran not having adequately explained evidence of possible military dimensions to its nuclear programme. We will therefore respond accordingly.

Richard Harrington: I thank my right hon. Friend for that reply, but in the light of recent comments by Meir Dagan, who recently retired as the head of Mossad, about Iran's first nuclear weapon possibly being ready by the middle of this decade, will he make a statement on how the Government intend to proceed in their approach to Iran's nuclear programme?

Dr Fox: My hon. Friend raises perhaps one of the most important questions at the present time, which is: how do we assess Iran's intentions and how do we assess the time scale? Despite his long experience, I think that Mr Dagan was wrong to insinuate that we should always look at the more optimistic end of the spectrum. We know from experience, not least from what happened in North Korea, that the international community can be caught out assuming that things are rosier than they actually are. We should therefore be clear that it is entirely possible that Iran may be on the 2012 end of that spectrum, and act in accordance with that warning.

Mr Denis MacShane (Rotherham) (Lab): May I invite the Secretary of State to read the article in the current edition of *International Affairs* by Professor Nigel Biggar, the regius professor of moral and pastoral theology at Oxford? He argues that

"one lesson that we should not learn from Iraq is never again to violate the letter of international law and intervene militarily in a sovereign state without Security Council authorization. The law's authority can be undermined as much by the UN's failure to enforce it, as by states taking it into their own hands."

The one thing that might be worse than action against Iran is Iran possessing a nuclear weapon.

Dr Fox: The right hon. Gentleman makes a useful point. With the United Nations having made the assessment that it has, it is clear that we have a moral obligation to carry forward the actions outlined, not least the economic sanctions, which are now beginning to have an effect. For Iran to have a nuclear weapon would be the worst of all possible options for global security, not least because it is likely to usher in not only the end of non-proliferation but a nuclear arms race in the world's most unstable region.

Dr Julian Lewis (New Forest East) (Con): What sort of signal does it send to Iran and other hostile would-be proliferators that our nuclear deterrent could be put at ransom in the event of another hung Parliament, as a result of our not having signed the key contracts and the hostility towards the replacement of Trident evinced by the Liberal Democrats?

Dr Fox: The Government remain committed, including in the coalition agreement, to the renewal of our nuclear deterrent. As I am sure my hon. Friend would expect, I will be campaigning to ensure that the next Parliament is not a hung Parliament, but one in which we have a minority—*[Interruption]*—a majority Conservative Government.

Mr Russell Brown (Dumfries and Galloway) (Lab): I shall forgive the Secretary of State that slip of the tongue. Has he made any assessment of the breakdown of the P5 plus 1 negotiations in Istanbul, and can he say whether there are any plans to resume them?

Dr Fox: There is always a need to maintain the dialogue, if only to make it clear to Iran that there is no weakening in the position of the international community. It is also essential that, as well as just talking, real measures are taken. If we are serious about the Iran issue, we need to look at it this way. It is a binary question: Iran will either become a nuclear weapons state or it will not. If we are intent on the latter course, the international community needs to act as well as speak. At the present time, that primarily means ensuring that the financial sanctions, which are having an effect on the regime in Tehran, are fully implemented and that no domestic considerations are put ahead of international security and well-being.

AirTanker

4. **Jesse Norman** (Hereford and South Herefordshire) (Con): What assessment he has made of the value for money of the AirTanker private finance initiative project. [36737]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The price for the future strategic tanker aircraft service was set in competition and also assessed against a public sector comparator before the contract was let in March 2008. Nevertheless, because I understand the concerns about the use of PFI for military procurement, I commissioned a thorough, independent review of the contract, which concluded that there was now no persuasive value-for-money case for pursuing an alternative mechanism to secure this urgently needed capability.

Jesse Norman: I thank the Minister for that reply. This is but one of many apparently wasteful and expensive private finance initiative projects within the Ministry of Defence—including, most recently, dog kennels at the Defence Animal Centre that are reported to cost more than rooms at the Park Lane Hilton hotel. Does the

Minister think there is a case for taking a very detailed look at the MOD's PFI contracts to lower their cost and improve value for money to the taxpayer?

Peter Luff: I agree with my hon. Friend and I am glad to say that a lot of work is being done within the work strands on renegotiation of PFI contracts. Three operational PFI projects have been selected and the pilot phase has commenced with the aim of making savings as part of the renegotiation process. The three projects are the Corsham development, Main Building redevelopment and the defence sixth form college. We expect to have the potential savings identified by the end of March.

Mark Tami (Alyn and Deeside) (Lab): Does the Minister accept that the AirTanker project secures tens of thousands of jobs in the UK and was the best option in comparison with the more expensive and sub-standard option put forward by Boeing?

Peter Luff: I am quite clear that the AirTanker will be an outstanding aircraft and do its job very well. It is urgently needed to repair a fragile air bridge and perform its main function of in-air refuelling as well. I understand, however, the hon. Gentleman's point of view.

Veterans (Benefits)

5. **Nic Dakin** (Scunthorpe) (Lab): What his policy is on the provision of benefits to veterans; and if he will make a statement. [36738]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): Veterans who are injured as a result of their service before 6 April 2005 can apply for compensation in the form of a war pension. For those whose disablement affects their ability to work, additional provision may be made in the form of supplementary allowances, paid in addition to the war pension.

Nic Dakin: I thank the Minister for his reply. Will he explain why it is proving so difficult, in terms of benefits, to treat the UK's atomic veterans as fairly and equally as the atomic veterans of other similar nations?

Mr Robathan: The hon. Gentleman ought to discuss that matter with his own Front-Bench team, as it was the last Government who appealed against the ruling in favour of the atomic war veterans—

Mr Kevan Jones (North Durham) (Lab): Which you agreed with.

Mr Robathan: Absolutely. As the hon. Member for Scunthorpe (Nic Dakin) will know, the courts have now decided in favour of the Government. I pay tribute to those who took part in the tests many years ago, but it was about 60-odd years ago and I am afraid that the courts have found that there is no causal link whatever between many of the disabilities and illnesses suffered and exposure to any radiation.

Claire Perry (Devizes) (Con): Will the Minister expand a little on his reply in respect of the long-term help that veterans will receive. He has referred to the short-term help, but many of the injured veteran personnel in my Devizes constituency are concerned about where the support will be in 20 or 25 years' time.

Mr Robathan: My hon. Friend raises a very important issue. Injured personnel have a high profile and the support of the country at the moment, but in 15, 20 or 30 years' time, it might be rather different. We are putting in place a whole raft of initiatives. I pay tribute to the last Government, who put a lot of it together. We supported the personnel recovery centre, among others, and there will be such a centre in Tidworth. God willing, we look forward to opening it in the near future.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The Deputy Prime Minister announced a "health for heroes" scheme for veterans in a newspaper article on 23 January. How much funding has the Ministry of Defence dedicated to this scheme?

Mr Robathan: This is not actually an MOD but a Department of Health measure. As I understand it, the whole mental health package is worth £400 million and it will be announced in April. Some part of it will go towards assistance with mental health problems among members of the armed forces. We already provide a great deal of support to those with mental health problems, not least through the "Fighting Fit" report of my hon. and gallant Friend the Member for South West Wiltshire (Dr Murrison).

Defence Contracts

7. **Mr Barry Sheerman** (Huddersfield) (Lab/Co-op): What his policy is on the use of individual and direct offset agreements in defence contracts. [36740]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The Ministry of Defence does not have offset agreements in defence contracts. We do invite prospective offshore suppliers to propose, on a voluntary and non-contractual basis, how they would work with UK companies in support of a contract placed overseas. Following the publication of a Green Paper in December, all policy issues relating to the acquisition of defence equipment are the subject of a consultation that closes on 31 March.

Mr Sheerman: Will the hon. Gentleman consider looking at this offset very seriously? Other countries use offset to great benefit, some using it to stimulate investment in environmental technologies. I know that the Government are consulting, as he says, so will he meet a group who have been discussing the issue and some of the industry leaders to discuss it further?

Peter Luff: I would be delighted to do so, as part of the Green Paper consultation process.

Defence Exports

8. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What steps he is taking to increase the level of UK defence exports. [36741]

The Parliamentary Under-Secretary of State for Defence (Mr Gerald Howarth): As I reported to the House during Question Time on 13 December, we are supporting defence exports through an active and innovative defence diplomacy initiative, working closely with the UKTI Defence and Security Organisation. Exports help to build and enhance relations with allies, to support the UK's defence industry, and to drive down the cost of equipment for Britain's armed forces. Ministers and officials from across the Government, including my right hon. Friend the Prime Minister, are already actively promoting British defence exports overseas.

Eric Ollerenshaw: Does the Minister agree that there is a real potential for increased defence exports and the increased jobs that they would bring to every part of the country? Perhaps he sees the Type 26 global combat ship as a perfect example of that potential.

Mr Howarth: The global combat ship frigate programme does indeed present a tremendous opportunity for the United Kingdom to put the policy into practice. I am delighted to say that we are in close discussion with the Canadians. My right hon. Friend the Secretary of State has just returned from an extremely profitable visit to Malaysia, Australia, New Zealand and Turkey. All those countries have expressed interest in joining the United Kingdom in a collaborative programme that would have the benefit of bringing together not only members of the Commonwealth but some of our key allies, while also driving down costs for the Royal Navy.

Mr Stephen Hepburn (Jarrow) (Lab): Will the Minister tell us how he will protect the United Kingdom's defence industry, as other Governments throughout the world protect theirs? Or will he be leaving it open to market forces, which will inevitably mean that our armed forces will be supplied by foreign Governments and companies?

Mr Howarth: The United Kingdom is the second largest exporter of defence equipment in the world. This is a fantastic opportunity that builds on the very strength of Britain's defence industry, which is the second most successful in the world. It is that on which we are capitalising, it is that which we are determined to support overseas, and it is that which, I am pleased to say, commands respect overseas. Let us not knock it; let us support it.

Duncan Hames (Chippenham) (LD): At a time of necessary cuts in Government, some of my constituents would like to see the UKTI Defence and Security Organisation closed. What assurances are the Government given by our allies who receive defence exports that they will not use them to harm or, indeed, to intimidate their own people?

Mr Howarth: I am very sorry that the hon. Gentleman wants to see UKTI DSO closed. I can see a few Opposition Members whose faces reveal that they view that prospect with great alarm, as indeed do all my hon. Friends—as well as, I see, the shadow Secretary of State, the right hon. Member for East Renfrewshire (Mr Murphy). UKTI DSO is doing a fantastic job, but that job is not done in isolation; it is done in accordance with long-established law, under which we ensure to the best of our ability that we do not export irresponsibly.

I repeat to the hon. Gentleman, who clearly failed to understand the purport of my original message, that defence exports are not there simply to generate income. They are there to strengthen alliances with existing allies, and to promote alliances with new, important allies, in a very volatile world.

Departmental Procurement

9. **Mr Dominic Raab** (Esher and Walton) (Con): What steps he is taking to ensure value for money in his Department's procurement. [36742]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The Government are determined to drive out the mismanagement of the equipment programme experienced under the last Administration. Developing a balanced, affordable programme must be our first priority. The strategic defence and security review and the current planning round process are major steps on the road to achieving that, but ongoing acquisition reforms, the work of the defence reform unit, and the appointment of Bernard Gray as Chief of Defence Matériel are also signals of our determination to address the issue successfully.

Mr Raab: I thank the Minister for his answer. I also welcome Lord Currie's review of single-source pricing regulations. The major projects reports produced by the National Audit Office in 2009 and 2010 issued scathing assessments of the last Government's record of purchasing defence equipment. How will the Currie review ensure better value for money for taxpayers?

Peter Luff: My hon. Friend is right to highlight the importance of the review, which I announced to the House last week. Given that some 40% of work by value is secured through this route, it is crucial to the taxpayer that we secure value for money from procurements. It is important for industry to be given incentives to reduce costs, and this will be good news for small and medium-sized enterprises, many of which find the present procedures for procuring work exceptionally onerous. Moreover, by making industry more competitive on world markets we will increase our export potential. It is a win-win situation.

Jim McGovern (Dundee West) (Lab): Can the Minister tell the House what the implications of the strategic defence and security review are for organisations and companies that depend almost entirely on Ministry of Defence contracts—for example, Remploy? The Remploy factory in my constituency depends entirely on MOD contracts and its workers are frightened for their jobs. Can he give me assurances that I can offer to those workers that their jobs are secure for the future, based on MOD contracts?

Peter Luff: I cannot offer that specific assurance—I am not aware of the specific situation—but I would be delighted to meet the hon. Gentleman to discuss the situation in detail, if that would help.

Sir Alan Beith (Berwick-upon-Tweed) (LD): What is the nature of the inquiries taking place into the procurement of the search and rescue helicopter contract? Do they

involve the police or potential disciplinary action? When will we know whether the contract has been completely invalidated by what has been discovered?

Peter Luff: The investigation into the issue notified by the preferred bidder is ongoing. Until the issue has been properly considered it is not possible to progress to procurement. I hope that it will be possible to make a further statement to the House on the way forward. No decision has yet been taken on this matter and, in view of the issues involved, there is nothing more I can say at this stage to the House.

Tornado Maintenance Facilities

10. **Elizabeth Truss** (South West Norfolk) (Con): What estimate he has made of the cost to the public purse of relocating Tornado maintenance facilities away from RAF Marham. [36743]

The Minister for the Armed Forces (Nick Harvey): As I said in answer to my hon. Friend on 8 November, all relevant costs, including those arising from any necessary relocations, will be given full consideration prior to any decision being taken. However, because the facilities she refers to are a major infrastructure installation, operated by contractors, it would inevitably be expensive to relocate.

Elizabeth Truss: I thank the Minister for his answer. In Thursday's *The Press and Journal* he is quoted as saying:

"The costs of relocating out of Marham would be very high".

He also described the economics of making that decision as being "not...clever". When is he going to present a full analysis? Given the state of the deficit, does he agree that cost should be a major factor in making the decision?

Nick Harvey: Let me make it clear to the House that the primary consideration in the basing study will be the military advantages and the military necessity of locating particular things in particular places. We will, of course, have to take account of the financial climate in which these decisions are being made and their socio-economic impact. We are addressing all these things and hope to make a full announcement in the spring.

Mr Kevan Jones (North Durham) (Lab): I wonder whether the Minister would care to comment on last week's press reports that he told a meeting at RAF Lossiemouth that RAF Marham would be too costly to close. Those comments will have appalled those working at RAF Lossiemouth and RAF Leuchars, who believed that they would get a fair hearing from Ministers as they carried out their base review. Should we not conclude from his comments that the review is nothing but a sham?

Nick Harvey: I should correct the hon. Gentleman by saying that the meeting in question took place at RAF Kinloss. What I said to the Moray Task Force, whom I was meeting at the time, was that the costs of moving the in-depth maintenance facilities from Marham and, indeed, paying to relocate the staff of the contractors involved would be so prohibitive that it would potentially undermine any savings that might accrue from closing a base. The economics of moving the in-depth maintenance facilities for Tornado at this stage in Tornado's life cycle would, as I said on Thursday last, be very questionable indeed.

Departmental Project Management

11. **Stephen Barclay** (North East Cambridgeshire) (Con): What steps his Department is taking to increase the effectiveness of project management for its major projects. [36745]

The Parliamentary Under-Secretary of State for Defence (Peter Luff): The National Audit Office's recent major projects report shows that the well-documented problems with some of the largest procurement projects have generally been caused by poor and deliberate policy decisions, and that project management itself is improving. But we are doing more to improve project management, including: running a programme to increase skills; forming a major projects performance board to review our most significant projects regularly; and appointing Bernard Gray as Chief of Defence Matériel, where he will build on the improvements made by his predecessor.

Stephen Barclay: Following numerous Select Committee recommendations, the Department's own guidelines run to eight pages in setting out what should be included in project histories, yet the £4 billion Nimrod project history runs to just two pages; makes no mention of senior responsible owners or senior staff changes; and took the Department seven weeks to produce, even though it already has this document, which is marked unclassified and had no redactions. Will the Minister write to me within the next month listing all the major defence projects that do not comply with the Department's own guidelines on documentation and what the gaps in documentation are?

Peter Luff: I am reluctant to turn this into a diary session for my diary secretary, but I think it would be very helpful to discuss this important issue with my hon. Friend. Departmental good practice guidance on maintaining project histories allows scope for project team leaders to interpret it and decide what best meets the needs of their project depending on its size, complexity and nature. The format and content are not mandated and, frankly, the problems with the Nimrod MRA4 project are about the most well-documented of any major procurement programme we have.

Afghanistan

12. **John Glen** (Salisbury) (Con): What recent assessment he has made of the security situation in Afghanistan; and if he will make a statement. [36746]

The Secretary of State for Defence (Dr Liam Fox): Based on what I saw on my recent visit to Afghanistan, including my conversations with commanders and politicians, I assess that important security gains are being made. They are not irreversible and we can expect a high tempo over the winter and throughout the year. Although there are many challenges, there is cause for cautious optimism in the growth of the Afghan national

security forces. We have the right strategy, numbers and equipment in place and now a little strategic patience is required to ensure that we are successful. Both 2011 and 2012 will be key years in that regard.

John Glen: I thank my right hon. Friend for that reply. Does he agree that the best way forward for Britain's long-term strategic security interests is to form long-term relationships between the international security assistance force military leaders and the Afghan police and military commanders? What observations would he make on the level of co-operation between UK forces and Afghan security leaders?

Dr Fox: That is an ongoing and progressing relationship. I point my hon. Friend to one particularly successful project—the police training taking place in Helmand. Those involved in that project throughout the country would recognise that what the British armed forces are doing is very possibly and very probably the leading project of that kind. If we can not only continue with what we are doing but export it as best practice to others, we will be making a doubly important contribution.

Mr Bob Ainsworth (Coventry North East) (Lab): Gains that are clearly being made by our armed forces at an operational level will be undermined if we do not get things right at the strategic level. The growing of the Afghan national security forces and the attacks being made on the Taliban leadership will not be enough on their own: what is being done to pump some life into the reconciliation process? Surely we need to get that strand of work up and running and get the Americans committed to it before the 2014-15 deadline.

Dr Fox: The right hon. Gentleman is absolutely correct. It has always been the case that there could not be a political settlement without a military settlement and vice versa. We now have quite large military gains on the ground, as he says, but he is quite correct that those gains cannot be maintained unless we get an acceleration in the pace of the political programme. There are gains being made at national and local level but they are neither widespread nor deep enough. We need to ensure that throughout this year we push the Government of Afghanistan to understand that we need to make progress now, while we have a reasonable following wind, because this is the crucial time to be able to get the gain on the ground that will make what we are trying to achieve sustainable.

Mr James Arbuthnot (North East Hampshire) (Con): Does my right hon. Friend acknowledge that all the emphasis in recent months has been on the withdrawal of our combat troops by 2015 and that it would be worth while concentrating on putting some more flesh on the bones of the role that we will continue to play after then, including, perhaps, in officer training?

Dr Fox: Clearly, there will be a role for the United Kingdom to play in that period, but it would be impossible to assess now what it will look like without knowing what the contribution from the international community will be. We very much hope that our international allies in ISAF will recognise that the concept of in-together, out-together is a sensible one and that countries do not simply transition from the safe areas that some might be in at present, right out of Afghanistan, but instead take part increasingly in the NATO training mission. By that means, we can have a proper share of responsibility after the transition away from combat forces. I think that would give us greater legitimacy and would give the mission greater acceptability in the UK.

Mr Jim Murphy (East Renfrewshire) (Lab): I agree with so much of what the Defence Secretary said in response to those questions. I returned from Afghanistan yesterday with the Leader of the Opposition and the shadow Foreign Secretary. We were all moved by both the bravery and the modesty of our armed forces in Afghanistan. I agree with the Defence Secretary that people are moving away from a sense of reluctant pessimism to cautious optimism about the effort in Afghanistan. With the international forces exiting combat roles by 2015, as he mentioned, and given the point that he made about training the army, which has to be strong, even though most recruits cannot read and write, and many recruits cannot even count the number of bullets to place in a rifle, what success has there been so far in trying to persuade some of those nations, which are leaving earlier than us, to commit to that training effort not just in their own areas, but across the whole of Afghanistan?

Dr Fox: May I say first how grateful we are to the Leader of the Opposition for reasserting the bipartisan approach to Afghanistan? It is very important for our national security and for the morale of our armed forces. I am grateful for that support, even if I know that it is not endorsed by all sections of his party. That makes the decision even braver and even more in the national interest, so I thank him for that.

The right hon. Member for East Renfrewshire (Mr Murphy) is right that it is important that we encourage those of our allies who may be moving out of a combat role into a training role. The decision taken by Canada in recent weeks is welcome. We wait to hear more details of the decision that may be taken by the Dutch. The National Security Council, on the Prime Minister's instruction, has sought to find areas where Ministers have a particular personal engagement, where we might be able to maximise the pressures that we can bring to bear to get exactly that training mission outcome.

Trident Replacement Submarines

13. **Dr Julian Huppert** (Cambridge) (LD): Whether any components for the construction of Trident replacement submarines are to be purchased prior to main gate decision in 2016. [36748]

The Secretary of State for Defence (Dr Liam Fox): We are currently considering the initial gate business case for the successor submarine and, as part of the next phase of work, we would expect to purchase some long-lead items so that the first boat can be delivered in 2028. This is normal good practice for major build programmes.

Dr Huppert: How much is the Minister planning to spend on Trident replacement before he gets parliamentary approval in the main gate? Will he seek parliamentary approval of such spending?

Dr Fox: By definition, until the initial gate business case has been approved, I am not able or prepared to give a figure. We will make that information available in due course, when decisions have been made.

John Woodcock (Barrow and Furness) (Lab/Co-op): May I say how pleased I was to accompany the Minister with responsibility for procurement, the Under-Secretary of State for Defence, the hon. Member for Mid Worcestershire (Peter Luff), around Barrow shipyard a couple of weeks ago? The Defence Secretary knows that of the £3 billion of so-called savings in the Trident value-for-money review, more than half are deferments. Will he tell the House the increased cost of deferment, and why he thinks that approach is acceptable, given how often he spoke out against it when he was in opposition?

Dr Fox: There are two imperatives. The first is to ensure that we have the successor programme. The second is to ensure that we do it within the financial constraints that the Government are forced to take on board, given the economic position that we inherited. Through the value-for-money study, as the hon. Gentleman well knows, we looked to see how we could extend the life of the current programme, if possible, to minimise the expenditure in early years. That is helpful not only in reducing the deficit in the period set out by the Government, but in ensuring the success of the programme itself.

Tessa Munt (Wells) (LD): It would appear from the answers to freedom of information requests that the steel, the computer systems and the combat systems, among other things, for the first submarine have been ordered and will have been paid for. It also appears that the three reactors for the first three submarines will have been ordered and paid for before MPs can scrutinise the main gate business case. What will remain unspent for the first submarines? Will we be so financially committed that the whole main gate decision is made irrelevant?

Dr Fox: Whatever amount of money is spent on the lead items, technically it is up to any Parliament at any time to determine whether any programme can or cannot go ahead. It is clear from the coalition agreement that we are committed to maintaining a continuous at-sea minimum credible nuclear deterrent that will protect this country from nuclear blackmail and ensure that we make our role apparent in reductions in total nuclear armaments.

Paul Flynn (Newport West) (Lab): How can the Government, who plan to save money by closing libraries and selling off our forests, justify wasting tens of millions of pounds on a useless virility symbol when they cannot give any plausible future situation in which Britain might use a nuclear weapon independently?

Dr Fox: I have explained the same point to the hon. Gentleman before. I can only explain it to him; I cannot understand it for him. What is important about the concept of deterrence is deterrence; that we do not need to use it. The whole point of deterrence is to make it clear to any potential aggressor that we will not even consider the impact of nuclear weapon strikes against the United Kingdom and so will maintain a nuclear deterrent to ensure that we never get to that position.

Armed Forces Pensions

14. **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): What assessment he has made of the effect on armed forces pensions of proposed changes to indexation arrangements for public sector pensions. [36749]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): No robust assessment of the kind requested can be made as future movements of the retail price index and consumer price index are not known. To use the current 2010 rate as the basis for any forecast would give an unreliable representation of future payments in the long term as these rates will fluctuate over time.

Gregg McClymont: I thank the Minister for his answer, but does he not agree that most studies suggest that CPI produces a higher pension than RPI? Does that not count as a cut in military and service personnel pensions?

Mr Robathan: If I may gently prod the hon. Gentleman, he has it the wrong way round: RPI is more likely to produce a higher pension than CPI, which is not what he said. As I pointed out to the right hon. Member for Delyn (Mr Hanson), there was no upgrading of pensions at all in April 2010 because RPI was negative in 2009, and that is the way things are. It was a hard decision, but we believe that it is in the best interests of the country and of the armed forces as a whole.

Returning Troop Costs (Germany)

15. **Grahame M. Morris** (Easington) (Lab): What estimate his Department has made of the cost to the public purse of returning British troops from Germany (a) between 2010 and 2015 and (b) between 2015 and 2020; and if he will make a statement. [36750]

The Minister for the Armed Forces (Nick Harvey): The strategic defence and security review stated the Government's aim to withdraw all forces from Germany by 2020. That objective is now being taken forward within a wider basing study aimed at making the best possible use of the defence estate. The basing study will take into account a range of factors, including cost, and is expected to report in the spring. Any costs incurred as a result of rebasing should be offset by the savings made in the longer term. While on a day-to-day basis it is more expensive to base troops in Germany than in the UK, this policy is not primarily about saving money. It is about enhancing our operational effectiveness and welfare.

Grahame M. Morris: I thank the Minister for that answer, but how much will the UK Government need to pay the German Government in compensation or reparations when our bases are vacated by British troops and handed back to German control?

Nick Harvey: The Government may need to pay redundancy costs to locally employed civilians, depending on circumstances, and costs might also be incurred in buying out any contractual obligations. However, the UK Government are not obliged to compensate either the Federal German Government or local communities

for the impact of the British Army leaving Germany. The net injection to the German economy is around £700 million a year, so the hon. Gentleman might like to reflect on whether that might be better injected into the British economy.

Patrick Mercer (Newark) (Con): The Minister will be aware of the considerable capital investment programme of the past 10 years for garaging and other heated facilities for armoured vehicles of the British Army of the Rhine. Will there be a similar programme in this country, or will the vehicles remain in Germany?

Nick Harvey: There is a general principle that we do not ask the Army to relocate to premises that are inferior to those in which they are already stationed. It would certainly be our intention to ensure that that is the case when they return to the UK.

Strategic Defence and Security Review

16. **Kevin Brennan** (Cardiff West) (Lab): What recent assessment he has made of how the commitments in the strategic defence and security review are to be funded from his Department's budget settlement. [36751]

The Secretary of State for Defence (Dr Liam Fox): The strategic defence and security review established the policy framework for the Ministry of Defence and the armed forces, and the capabilities that they will need to meet future challenges. It includes a period of rebalancing over the next few years as we transform, but further work is required to fully balance the books because we are not there yet and are still in planning round 11.

Kevin Brennan: In a recent *Financial Times* article on the subject, headed "MoD faces fresh crisis over funding", which predicted a £1 billion shortfall for each year, a senior military figure is quoted as saying:

"Every day at the MoD these days seems like a day at the dentist."

What on earth could he have meant?

Dr Fox: I have no idea, but, given that I can pick in any one newspaper on any one day at the present time some quotation from some senior former or serving military personnel, I can put all sorts of interpretations on all sorts of things. What I am very clear about is that Ministers and the military will work together to deliver the SDSR and our 2020 vision. Hopefully, through that period of transformation, we will come out with armed forces properly equipped and shaped for Britain's proper national security.

Civilian Personnel Reductions

17. **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): What recent discussions he has had on civilian personnel reductions in his Department. [36752]

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): I have regular discussions, as does my right hon. Friend the Secretary of State, on civilian reductions. There is also an ongoing dialogue between officials and the recognised departmental trade unions over the implementation of the civilian reductions.

Luciana Berger: I thank the Minister for that response. Can he kindly outline which units in the Ministry of Defence he anticipates the 25,000 job losses announced in the strategic defence and security review will come from? If he cannot say now, can he outline when he will be able to end the uncertainty?

Mr Robathan: That is a perfectly reasonable question from the hon. Lady, but I am afraid I cannot say now. There are two things that I should say, however: first, my right hon. Friend the Secretary of State and I are meeting the trades unions about those reductions late in February; and secondly, the permanent secretary to the MOD announced on Friday night—released, therefore, to most people this morning—the forthcoming launch of the voluntary early release scheme. I am sure that the full text will be in the Library.

Topical Questions

T1. [36759] **Nick Smith** (Blaenau Gwent) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Dr Liam Fox): My departmental responsibilities are to ensure that our country is properly defended now and in the future, that our service personnel have the right equipment and training to allow them to succeed in their military tasks and that we honour the armed forces covenant.

Nick Smith: In terms of the Department's major projects, how much does the Minister think it can save through contract renegotiation, as announced in the SDSR?

Dr Fox: There can be some savings on contract renegotiation, and they are currently being discussed, but in the very near future I shall set out a new set of rules for the management of financial projects, which I hope will ensure that we get real-terms control over budgets. Far too often, we have been looking at post-mortems by the National Audit Office, and in my previous profession I did not regard post-mortems as a satisfactory outcome.

T2. [36760] **Christopher Pincher** (Tamworth) (Con): As my right hon. Friend seeks to build the armed forces covenant, will he pay close attention to the Strachan report and, in particular, those recommendations to offer enhanced accommodation allowances, expand the pilot shared equity scheme and encourage banks to offer forces-friendly mortgages, so that members of our armed services get a firmer foot on the property ladder?

Dr Fox: It was, indeed, a valuable set of recommendations, and we are going through them one at a time at the moment. I am instinctively very much in favour of all the elements that my hon. Friend sets out, and in the very near future we shall in fact produce some further projects, which I hope will provide considerable enhancements to some elements of the covenant not previously covered—and at minimal cost to the taxpayer.

Michael Dugher (Barnsley East) (Lab): The Secretary of State wrote to the Prime Minister on 27 September saying that scrapping Nimrod would

"limit our ability to deploy maritime forces rapidly...increase the risk to the Deterrent, compromise maritime counter terrorism, remove long range search and rescue, and delete one element of our Falklands reinforcement plan."

Given the sight of Nimrod being broken up last week at Woodford, can he tell the House whether that decision was taken for defence reasons or because he lost his battle with the Prime Minister?

Dr Fox: Here is the extent of the humbug. The previous Government, in March 2010, actually took the Nimrod MR2 out of service, so there was already a capability gap by the time this Government came to office. First, we looked at the strategic environment, and the service chiefs and the intelligence services advised us that the gap that would be left could be managed with the assets that were already being used to fill the gap that the previous Government left when the MR2 was withdrawn. Secondly, the financial project itself was too long over time, and too far over budget—it was not able to fly and carry out the tasks that were asked of it. It should have been cancelled years ago. This Government had the nerve to do it; the previous Government did not.

T3. [36761] **Richard Harrington** (Watford) (Con): Will my right hon. Friend explain the steps that he is taking to ensure that in future the defence budget is put on a sustainable footing, so that future incoming Governments do not have to cancel capabilities such as the Nimrod MRA4 because of the reckless spending of their predecessors?

Dr Fox: None of us wanted to see reductions in the defence budget for their own sake. What the House and the country need to understand is that the size of our national deficit is a national security problem. Next year, this country will be paying £46 billion in debt interest against a defence budget of only £37 billion. Even if the current Government eliminate the deficit within five years, that debt interest will rise. That is money being paid for nothing because the last Government were unable to contain their urge to spend, spend, spend.

T4. [36762] **Mr David Crausby** (Bolton North East) (Lab): Can the House be assured that the pace of submarine production at the Barrow shipyard is sufficient to retain the skills that will deliver an independent, British-made successor to the Vanguard submarine?

Dr Fox: Yes. In the SDSR, we are committed to the seventh Astute submarine, partly to ensure that the skills base was there as we went through to the successor programme. We regard the ability to build and maintain our nuclear deterrent successor programme as part of our sovereign capability.

T6. [36764] **Julian Smith** (Skipton and Ripon) (Con): What steps is the Minister taking to ensure that British small businesses get a greater share of defence contracts, in terms not only of volume, but of value?

The Parliamentary Under-Secretary of State for Defence (Peter Luff): My hon. Friend is absolutely right to highlight that very important plank of our policy towards the defence industries. At present, we are consulting through the Green Paper and I urge him to respond to that consultation. There are 18 separate questions on what we can do to improve the relationship between small and medium-sized enterprises and the MOD.

I draw my hon. Friend's attention to the outstanding work of the Centre for Defence Enterprise, which is bringing innovative SMEs into the defence market for the very first time, and is very much welcomed by those SMEs.

T5. [36763] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): The Big Lottery Fund has recently extended the deadline for the excellent Heroes Return 2 scheme, administered from Newcastle, that provides funding to help veterans and their families take part in commemorative visits, either in the UK or abroad. Like many right hon. and hon. Members, I have been encouraging my constituents to take advantage of the scheme. Will the Minister outline what support he and his colleagues are providing to encourage uptake of that funding?

The Parliamentary Under-Secretary of State for Defence (Mr Andrew Robathan): We certainly support the scheme, which I understand is largely run by the Royal British Legion, although I do not have the details at my fingertips. It is an excellent scheme. We support the national lottery, the Royal British Legion and the whole programme.

T7. [36765] **John Glen** (Salisbury) (Con): Given the Government's desire to improve armed forces accommodation and obtain greater value for money for the taxpayer, does the Minister accept that useful lessons can be learned from the Canadian Government's example of outsourcing the management of armed forces housing, a policy that produced savings and improvements to accommodation facilities?

Mr Robathan: My hon. Friend is right. We are looking at every option as to how we can make housing for our troops more efficient. We shall certainly look at what my hon. Friend has mentioned as well; if he wants to make a submission, he is very welcome so to do.

Angus Robertson (Moray) (SNP): The Ministry of Defence is aware that Moray is the most defence-dependent community in the UK and uniquely faces the threat of a double RAF base closure. Does the Secretary of State understand the damage that the delayed basing announcement is having on the economy of the north of Scotland? Why is there a delay in the announcement in the first place, given that the RAF made its basing recommendation at the end of last year?

Dr Fox: We have some evidence, but not the final submission, on that. Of course, we are also awaiting from the Army the elements of rebasing that may be part of the issue relating to the return of British troops from Germany.

I fully understand that many have an increased level of anxiety because of the time taken to make those decisions. But they are not single decisions; they are

interrelated decisions. Although I do understand, I am afraid that we have to ensure that we make the right decision, not just a quick decision.

T8. [36767] **Mr Douglas Carswell** (Clacton) (Con): Shortly after the formation of the coalition, Lord Levene and others were appointed to review defence procurement. Some of us hoped that that might mean a radical reform of protectionist procurement. What progress can the Minister report on Lord Levene's review and any recommendations that may be forthcoming?

Dr Fox: Before the general election, we set out four aims for procurement: that it would give our armed forces what they need when they need it, at a reasonable cost to the taxpayer; underpin our strategic relationships; give greater stability for planning; and increase exportability. Those are all still aims that we are hoping to achieve. The review is well under way. The Defence Reform Unit has considered a number of these issues. Together with the appointment of the new Chief of Defence Materiel, I can assure my hon. Friend that, if anything, we will be at the radical end of reform.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): I know that Ministers touched on this issue earlier, but air-sea rescue is of enormous interest, not only to me but to the nation. I have attempted to get the answer to this question, so can he tell me whether the lead Department is the Ministry of Defence or the Department for Transport? When can we expect a statement in the House about this issue?

The Minister for the Armed Forces (Nick Harvey): Both Departments are involved, but the lead Department is the Department for Transport, and any statement to the House will come from Transport Ministers. We hope that that will happen as soon as possible but, as I think the hon. Gentleman will understand, legal complexities are at play. The key thing is to decide how we are going to take forward search and rescue facilities, and I hope that the Department for Transport will be in a position to make a statement to the House very soon.

T9. [36768] **Mel Stride** (Central Devon) (Con): Will my right hon. Friend join me in recognising the importance of the contribution of smaller countries to our mission in Helmand province, and, in particular, the very gallant and disproportionate contribution made by Estonia and Denmark?

Dr Fox: Few things give me greater pleasure in this House than to acknowledge the sacrifices made in Afghanistan by some of the smaller countries, two of the most important of which were mentioned by my hon. Friend. I hope to make a visit to Afghanistan with Defence Ministers from some of those countries. The whole House will want to place on record our solidarity not only with the families in Denmark and Estonia who have suffered loss, as have families in the United Kingdom, but with the outstanding military contribution that they have made, which is perhaps, in many ways, a good example to some of the sleeping giants in NATO.

Diana Johnson (Kingston upon Hull North) (Lab): The Government have pledged 12 new Chinooks, which are crucial for the UK defence industry capacity and for national security because of their role in Afghanistan. Can the Minister confirm that the Government have signed the contracts for these new helicopters? If not, can he explain what that means for the British defence industry, when he expects the contracts to be signed, and when these much-needed Chinooks will enter theatre?

Mr Speaker: I counted about four questions there, but the Minister is a specialist in pithy responses, and we will hear him.

Peter Luff: I can confirm the answer to that question when the current planning round is settled, but I assure the hon. Lady that we understand the importance of these helicopters for the mission in Afghanistan.

Bob Russell (Colchester) (LD): A key player in the security situation in Afghanistan is Pakistan, which, in the war on terror, has seen more of its civilians and security and military personnel killed than any other country. Last week, I was part of a Commonwealth Parliamentary Association delegation to Pakistan. Will the Secretary of State join me in thanking the Government and people of Pakistan for their efforts to date and encourage them to maintain that level so that our forces in Afghanistan are supported?

Dr Fox: What we are attempting to deliver in Afghanistan will not be possible without the support of the Government of Pakistan. Perhaps a good note for all of us to have would be one that reminds us to thank the Government of Pakistan when they do what is helpful to the mission rather than criticise them when the opposite is true. It is also of great importance that we in the United Kingdom, and our allies, make it clear that we have a post-Afghanistan strategy for Pakistan and that we intend to have a long-term programme of help and encouragement.

Chris Williamson (Derby North) (Lab): The Health Protection Agency has said that servicemen present during atomic bomb tests more than 50 years ago have since been plagued with cancers and rare medical conditions. Did the Minister see reports in the media yesterday that the MOD has ignored urgent calls for research into the health of nuclear test veterans, and will he agree to have the DNA of test veterans studied as a matter of urgency?

Mr Robathan: There have been many studies into the health of those who witnessed the explosions on Christmas Island, and they have concluded that those who witnessed the explosions have not suffered greater health problems than others. I stand by the clinical and legal position on that, as did the previous Government, whom the hon. Gentleman would presumably like to say he supports.

Nick de Bois (Enfield North) (Con): Has the Secretary of State assessed the state of rehabilitation services for members of the armed forces who have received trauma care, and who are living with complex, life-changing injuries? Will he accept representations from me on behalf of a constituent?

Mr Robathan: I would be happy to accept representations. The trauma care given by the medical services in the armed forces is excellent. There is a 25% chance of survival, whereas there is only a 6% chance of survival in the national health service. The Secretary of State for

Health and I went to Birmingham 10 days ago for the opening of the new Surgical Reconstruction and Microbiology research centre at the Queen Elizabeth hospital. That is an excellent facility that leads the way in trauma care in this country.

Thomas Docherty (Dunfermline and West Fife) (Lab): Given that the Department is currently holding a consultation on how to decommission nuclear submarines, will the Secretary of State give my constituents a cast-iron guarantee that not a single bolt will be taken out of those submarines until a waste route has been identified and, crucially, established?

Dr Fox: I can give the hon. Gentleman that assurance on the dismantling of nuclear submarines. That is not only the MOD view and Government policy, but a regulatory requirement.

Andrea Leadsom (South Northamptonshire) (Con): Will my right hon. Friend confirm that avoiding nuclear arms proliferation, wherever it comes from, is a key objective of his Department? Will he update the House on what he is doing to pursue that objective?

Dr Fox: As I mentioned earlier, the House will be aware that there is one great threat to global non-proliferation: the ambitions of Iran. There is no more important policy for long-term security and for the maintenance of the non-proliferation treaty than ensuring that Iran, although it may have access to civil nuclear capabilities, does not become a nuclear weapons state. I do not think that I could have ended on a clearer note.

Mr Bob Ainsworth (Coventry North East) (Lab): Why, when the Prime Minister said there would be no cuts in infantry capability while we were on a combat mission in Afghanistan, is the strength of the Royal Marines being cut?

Nick Harvey: There is a very small headcount reduction in the Royal Marines—the right hon. Gentleman is quite right. However, those units were not going to be deployed to Afghanistan and, in consequence, this will not undermine the effort in that country.

Greg Mulholland (Leeds North West) (LD): The city of Leeds has very close connections with HMS Ark Royal, following the remarkable fundraising campaign by local people and the adoption of the ship in 1941. On 12 February, the crew of HMS Ark Royal will be given the freedom of the city of Leeds and will take part in a parade. Will the Secretary of State join me in saying what a wonderful event that will be? Does he agree that there should be a permanent commemoration of this link?

Dr Fox: This is a commendable link. I am happy to join my hon. Friend in congratulating the city of Leeds. Whenever there is an example of civic life recognising the sacrifices of our armed forces, both are enriched.

Egypt

3.33 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): With your permission, Mr Speaker, I would like to make a statement on the situation in Egypt. First, may I apologise on behalf of the Secretary of State for his absence? The House may be aware that he is attending a Foreign Affairs Council today, where this issue is at the top of the agenda.

The calls for political reform in Egypt have been peaceful, but the general unrest has become increasingly dangerous, with elements of violence leading to lawlessness in some areas of major cities such as Cairo, Alexandria and Suez. Severe restrictions on freedom of expression, including the closure of internet access and mobile phone services, have only fuelled the anger of demonstrators. We have called on the Egyptian authorities to lift those restrictions urgently.

I am sure that the House will join me in expressing our deepest sympathies to all those affected by the unrest in Egypt, including the families and friends of those who have been killed and injured. Casualty figures remain unclear, but it is estimated that at least 100 people have died. On Saturday, the army took over responsibility for security in Cairo, and its role has so far been welcomed by protestors. Our aim throughout these events has been to ensure the safety of British nationals in Egypt and to support Egypt in making a stable transition to a more open, democratic society.

I turn first to consular issues. There are an estimated 20,000 British tourists in Egypt, the majority of whom are in the Red sea resort of Sharm el Sheikh, where, according to our latest information, the situation remains calm. We estimate that there are a further 10,000 British nationals in the rest of Egypt.

On Friday 28 January we changed our travel advice to advise against "all but essential travel" to the cities of Cairo, Alexandria, Suez and Luxor due to the severity of demonstrations there. On Saturday 29 January, we heightened our travel advice further to recommend that those without a pressing need to be in Cairo, Alexandria and Suez leave by commercial means where it was safe to do so. Those in Luxor are advised to stay indoors wherever possible. A daily curfew remains in place throughout Egypt from 3 pm to 8 am.

Cairo airport is open, but has been operating under considerable difficulties. The situation was particularly difficult yesterday, but our ambassador in Cairo reports that it has eased a little today. Flights are operating but are subject to delays or cancellation. The majority of British nationals have been able to leave Cairo airport today. We estimate that about 30 British nationals will remain at the airport overnight, to depart on scheduled flights tomorrow. The situation also appears to be improving in Alexandria, with road access to the airport now secure. We have staff at Cairo airport working around the clock to provide assistance to any British nationals who require it. We also have staff in Alexandria, Luxor and Sharm el Sheikh, who are providing regular updates about the situation on the ground in those parts of Egypt and staying in close touch with tour operators and British companies on the ground.

Additional staff reinforcements from London and the region have been sent to Egypt to help embassy staff maintain essential services in these difficult circumstances. A 24-hour hotline is available for British nationals to call if they need assistance or advice, and help is also available around the clock from the crisis resource centre at the Foreign and Commonwealth Office. I am sure the House will join me in recognising the hard work and dedication shown by all our staff, in both Egypt and London, in responding quickly and professionally to the unfolding events.

I turn to the political situation in Egypt. The UK has major strategic interests in Egypt, which has played an important role as a regional leader, including in the middle east peace process, and we are the largest single foreign investor. The scale of the protests is unprecedented in Egypt in the past 30 years. We have called on President Mubarak to avoid at all costs the use of violence against unarmed civilians, and on the demonstrators to exercise their rights peacefully.

In response to the growing protests, President Mubarak announced on 28 January that he had asked the Government to resign. On 29 January, he appointed the head of the Egyptian intelligence services, Omar Suleiman, as his vice-president and Ahmed Shafiq, most recently Minister for Civil Aviation, as Prime Minister. Further Cabinet appointments have been made today. However, demonstrations have continued and are now focused on a demand for President Mubarak to resign.

It is not for us to decide who governs Egypt. However, we believe that the pathway to stability in Egypt is through a process of political change that reflects the wishes of the Egyptian people. That should include an orderly transition to a more democratic system, including through the holding of free and fair elections and the introduction of measures to safeguard human rights. Such reform is essential to show people in Egypt that their concerns and aspirations are being listened to.

We continue to urge President Mubarak to appoint a broad-based Government who include opposition figures, and to embark on an urgent programme of peaceful political reform. We are also working with our international partners to ensure that those messages are given consistently and that technical and financial support for reform is available. The Prime Minister has spoken to President Mubarak and President Obama. The Foreign Secretary has spoken to Egyptian Foreign Minister Aboul Gheit, Secretary of State Hillary Clinton and EU High Representative Baroness Ashton over the weekend, and he will also be discussing the situation in Egypt with EU colleagues at the Foreign Affairs Council today.

The situation in Egypt is still very uncertain. The safety of our citizens is our top priority, and we are putting in place contingency plans to ensure that we are prepared for all eventualities. I commend this statement to the House.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): First, I thank the Minister for his statement and for providing a copy in advance.

The House is united today in expressing our concern at the loss of life in Egypt since last Wednesday. As the Minister said, it has been reported that more than 100 lives have been lost, and I join him in expressing condolences to the families and friends of all those who have been

killed or injured. Thousands of courageous Egyptian citizens have taken to the streets to demonstrate for the basic political freedoms that we in the United Kingdom can take for granted. We welcome what the Minister has said today in support of an orderly transition to a broad-based Government who will address the legitimate grievances of the Egyptian people.

Two weeks ago, we expressed concern about the speed at which the Government were offering support to British nationals who were stranded in Tunisia. We welcome the lessons that have clearly been learned since then, as this has ensured a swift response in getting the information and guidance that the Minister has described to British nationals in Egypt. As he said, the Foreign Office has issued travel advice urging British nationals not to travel to Cairo, Alexandria, Luxor or Suez, and to leave by commercial means when it is safe to do so. I thank the Minister for updating the House today on the assistance that is being given to those British nationals trying to leave Egypt, and I join him in commending the hard work and dedication of the FCO's staff in Egypt and here in London. I also welcome his announcement of additional staff. Can he assure the House that the Government have contingency plans in place to cover every eventuality, and that they now have enough consular officials on the ground to provide the necessary advice and assistance to UK nationals in Egypt?

The European Union has an important role to play in promoting regional stability and security in the middle east and north Africa, and it is encouraging to hear that Egypt is at the top of the agenda for today's European Foreign Affairs Council. Does the Minister agree that the European Union should place greater emphasis on supporting the development of democracy, pluralism and human rights throughout the middle east and north Africa?

Over the past 30 years, Egypt has played a crucial role in fostering steps towards the middle east peace process. There are legitimate concerns that a political vacuum in Cairo could undermine the already precarious prospects for peace. Can the Minister update the House on discussions with Egypt's neighbours, including Israel and the Palestinian Authority, who have important concerns for the peace process and for the stability and security of the wider region? The Minister told us that the Prime Minister had spoken to President Obama about events in Egypt. Could the Minister update the House on the progress of those discussions with the US Administration?

A disturbing feature of the past week's events has been the regime's censorship of independent media. I join the Minister in calling for an urgent end to restrictions on internet access and television broadcasting across Egypt. As he said, it is not for the United Kingdom to decide Egypt's future path; that is a matter for the people of Egypt. Does he agree, however, that the United Kingdom has a responsibility to those people to support their demands for freedom and to encourage an orderly transition to a more open, democratic and pluralist Egypt?

Alistair Burt: I thank the hon. Gentleman for the tone and content of his remarks, and particularly for his appreciation of the work of our consular staff in London and Egypt. I think that he and I see the political situation there in very similar terms.

In answer to the hon. Gentleman's question on consular staff, we have 20 members of staff at Cairo airport. They are very visible, because they are wearing orange bibs so that people can see them. I understand that we are the only Government who have staff there. Indeed, a number of them slept there last night in order to be on hand constantly to deal with any issues and to show a degree of solidarity with the British citizens who were required to spend the night at the airport because of the curfew restrictions. We hope we have enough people in place to do the job of answering all the questions.

In terms of EU support over a period of time, Egypt has an association agreement with the EU, which is implemented through a jointly agreed action plan. Although Egypt has implemented some of its commitments on economic reform, progress has been more limited on political and social reform. Indeed, the engagement with the EU contains vital steps on political and social reform—those are pressed on all nations that wish for such relationships. It is only to be hoped that reform ideas will be further implemented as a result of the events that we have seen taking place.

The hon. Gentleman mentioned the middle east peace process. He is right that this situation has come at a very difficult point in that process. An awful lot of work is being done to try to get the parties closer together. Egypt has been an ally in terms of moderate Arab opinion, and of course made its own arrangements—a peace agreement—with Israel some time ago. Clearly, whatever Government emerge in Egypt, and whether the president continues or something else happens in due course, our strategic interests remain the same. We clearly hope for a Government in Egypt who see the middle east peace process as the absolute bulwark to the solutions that are needed in that whole region, and who see that it is crucial to proceed with the process. I know that those concerns are shared in Israel.

I welcome what the hon. Gentleman said about media restrictions, and we are pressing Egypt extremely hard on those matters. Egypt has international commitments to freedom of expression, which has been severely curtailed by restrictions on the internet and electronic media. Our sense is that that actually does no good at all, because of the way in which information spreads these days. Clamping down on one media simply squeezes the bubble and more information appears elsewhere. For all sorts of reasons, not least in respect of getting information to people when there are security difficulties, which we need to do, it would be best not to stop information spreading.

The Prime Minister has had conversations with US President Obama, as the Foreign Secretary has with Secretary of State, Hillary Clinton. Again, there is a common feeling that the demands of the people in Egypt for political reform have been long-standing, and that they are not going to go away, whether they are suppressed or repressed. The only way forward is to look for a proper political process that will give an orderly transition to a state of government of which political reform, free and fair elections, and an acknowledgment and acceptance of free expression, are key parts. On that, the US and UK are absolutely agreed.

Finally, the hon. Gentleman mentioned support for the people of Egypt. As I indicated earlier, it is not for this country to decide what Government there might be, but there are principles that underpin a stable society.

[Alistair Burt]

Openness, transparency, accountability and a free political system are, in fact, not agents of dangerous change, but the foundations of political stability. The Government share that view with all in the House. We hope that there is an orderly and peaceful transition towards such a future for the people of Egypt.

Sir Malcolm Rifkind (Kensington) (Con): The Minister has acknowledged that while the departure of President Mubarak would be welcomed on democratic grounds, it would also remove one of the most powerful forces for foreign policy moderation in the middle east. Does he also acknowledge that Egyptian public opinion is far more radical on the peace process and other issues than the President has been, and therefore that the emergence of populist Government could carry the risk of Egypt aligning itself more with Syria and Iran, which would have very disturbing implications for the prospects of peace in the region?

Alistair Burt: My right hon. and learned Friend makes an important point. Egypt's place in ensuring regional security and helping towards finding a way through the very difficult problems in the middle east is well known. No one quite knows what will come out of the greater involvement of the democratic process, but it is to be hoped that Egypt's strategic interests are in regional stability and in furthering the peace process. It will be a matter of free and public debate as to how that argument continues, but this country's strategic interests and those of others are best served by a Government of whatever sort who recognise my right hon. and learned Friend's point—that is a Government who ensure stability in the region, and as I indicated earlier, a Government who help all parties to move towards a middle east peace process settlement as quickly and effectively as possible.

Mr Jack Straw (Blackburn) (Lab): Does the Minister not recognise that stability sought through non-democratic means, including the removal of people's freedoms, can only be temporary, and that although democracy can have many inconvenient consequences, including the election of people we do not like, it is far better, in the medium term, for the stability of the region and Egypt's future that there be free and fair elections in which candidates of any party and persuasion can stand and take office?

Alistair Burt: The right hon. Gentleman speaks the truth. Of course, democracy has its difficulties—we all understand that very well. However, as I tried to indicate in the conclusion of my earlier remarks, it is absolutely clear that the forces of democracy, including free expression, criticism, accountability and transparency —however uncomfortable—are a better foundation for longer-term stability than anything that seeks to repress those feelings, as we have seen not only in Egypt, but in other places. I am quite sure that whatever the democratic process produces will have to be acknowledged by countries around Egypt. However, we all hope that the process will bring people to a recognition that the opportunity to express their feelings about how they wish their country to develop should be taken maturely and effectively.

Sir Menzies Campbell (North East Fife) (LD): Does the Minister accept that in formulating our response to events in Egypt we are to some extent hindered by the ambiguity of previous policy towards not only Egypt but the region, which appeared to put security of energy supply—particularly oil—above issues of democracy and human rights? How will the Government set the balance?

Alistair Burt: Over a number of years, this country and others have engaged consistently in conversations with those in Egypt and other countries in the area about the need for political and social reform. Two weeks ago, I was at a conference in Doha with G8 countries and those representing the broader middle east and north African area. It was the seventh time that this conference had taken place and such engagements had occurred, and a recurring theme was how political and social change could happen in the region. G8 countries sent a consistent message, as the European Union has done over a period of time, and as this Government have done, and I do not think that there is an inconsistency in trying to achieve stability in such a way.

Chris Bryant (Rhondda) (Lab): Is there not the danger that the longer the Egyptian Government try to keep the top on the pressure cooker, the more people will be forced or inclined to look towards radical alternatives, not only in Egypt but elsewhere? Is not the role of organisations such as the BBC World Service of even more significance, therefore, given that we are trying to ensure that people have access to a fair interpretation of events on the ground?

Alistair Burt: As I indicated earlier, free expression is very important. People access information about what is going on by a variety of methods—it is clear that the information tide will never be rolled back. The BBC World Service has played its part, and a new and reformed BBC World Service will continue to do just that.

Richard Ottaway (Croydon South) (Con): The Minister said that Egypt is no Tunisia. In population terms, it is the largest Arab state and a force for moderation, and the treaty with Israel is important and enduring. As highlighted by my right hon. and learned Friend the Member for Kensington (Sir Malcolm Rifkind), a disorderly transition could lead to huge uncertainty, particularly as far as that treaty is concerned.

Alistair Burt: My hon. Friend is absolutely right. That is why all nations, including the EU, the United States and partners, are united in asking for an orderly transition. Opposition can no longer be repressed, but there must be an orderly transition towards a reformed Egypt to ensure stability for us all and not least the middle east peace process.

John McDonnell (Hayes and Harlington) (Lab): I appreciate the Minister's position in that the Government do not want to be seen to be interfering directly in the affairs of another state. However, it is clear that the diplomatic message that President Mubarak is getting is being interpreted by him to mean that he can remain in

power. May I suggest to the Minister that it is certainly open to the House to express the view that it is time for Mubarak to go?

Alistair Burt: The hon. Gentleman makes his own point, but he is correct in his first interpretation, which is that it is not for the United Kingdom Government to dictate to the Egyptian people how they should govern themselves.

Rehman Chishti (Gillingham and Rainham) (Con): The international community has called for substantial and basic reforms in Egypt. What is the time line by which the international community expects that to happen, and will the current instability and insecurity be taken into account?

Alistair Burt: In the present context, time lines are genuinely difficult to estimate. Nobody knows quite what will happen with those who are gathered in the square or how long protests will continue. Whatever the time line is, I think that the international community would agree that it should naturally be as short as possible. The expression of the people has been clear. There is a process to be gone through, but it must be quick and effective, and it must lead to a reformed Egypt, as far as political change and democracy are concerned.

Mike Gapes (Ilford South) (Lab/Co-op): The Minister referred to developments in different parts of Egypt. Does he have any information about what is happening with the Rafah crossings and the tunnels into Gaza? There is potential for people to take advantage of the current instability and send rockets or other materials into Gaza, with wider destabilising consequences in the region.

Alistair Burt: I understand the concern with which the hon. Gentleman speaks. We have no information at present to suggest that that is happening, but his strictures are well noted and will, I am sure, be taken into account.

Robert Halfon (Harlow) (Con): Following on from the previous question, from the hon. Member for Ilford South (Mike Gapes), has my hon. Friend had a chance to assess the role of the Muslim Brotherhood, particularly given its close relationship with Hamas in Gaza and the potentially destabilising effect on Israel? Does he agree that democracy is not just about elections, but about religious tolerance, property rights, the rule of law and human rights as well?

Alistair Burt: I thank my hon. Friend for his question. The general sense is that events in Egypt have not been influenced by one particular political group or orchestrated in any way. Although the two countries are different, much as with the events in Tunisia, what has happened seems to have been, as far as possible, a spontaneous expression of concern about political freedoms. Although the Muslim Brotherhood is plainly a part of the political force in Egypt, we have no evidence to suggest that it has been involved in creating what is currently happening. My hon. Friend is absolutely right as well that with democracy and governance come responsibilities. The world would be disappointed if a reformed Egypt adopted any extremist attitudes similar to those he described from the parties he mentioned.

Keith Vaz (Leicester East) (Lab): Tomorrow the Minister, the Foreign Secretary and the Minister of State, Department for International Development will meet Dr Abu-Bakr al-Qirbi, one of the longest serving Foreign Ministers in the Arab world. I would caution the Minister not to treat each Arab country as being the same or to treat what is happening in Egypt in a similar way to what happened in Tunisia or Yemen, which have particular issues that need to be addressed. In telling countries about the need for reform, we should encourage democratic movements, rather than letting it appear that we are giving lectures about how countries should be run.

Alistair Burt: The right hon. Gentleman knows Yemen as well as any Member of the House, and I am sure he would not expect us to treat all countries in the region in any way similarly. There may be similar tensions, but each country is different and each is approaching its problems differently. There is an established process, entitled the Friends of Yemen, involving a group of countries working with Yemen to deal with its issues, but it is very much a Yemeni-led process, which His Excellency Dr al-Qirbi is well in charge of, and there is an excellent relationship with the United Kingdom. There are tensions in Yemen that cannot be ignored, but the Government are fully apprised of them, and we are working on a partnership basis.

Stephen McPartland (Stevenage) (Con): Stevenage is the home of the Egyptian Coptic cathedral in the United Kingdom. I attended a memorial service with the Egyptian ambassador earlier this month, after a terrorist attack in Alexandria that killed 23 Christians. Will the Minister assure the House that during these times of protest we will be sending a clear message that attacks on unarmed civilians and minority groups will not go unpunished?

Alistair Burt: I am grateful to my hon. Friend for raising that issue. The attack on the Coptic church over the new year was one of the most upsetting aspects of what has become a wave of attacks against minority communities throughout the middle east. It is absolutely right that such attacks are condemned. Indeed, the Egyptian Government have been quick to condemn that atrocity and so give us confidence, as best they can, that those involved will be met with the full rigour of the law. With any instability, there is always a danger that the situation will be exploited. So far, we have no evidence that any minority community is bearing the brunt of any of the lawlessness, which we would all wish to see ended as soon as possible.

Jeremy Corbyn (Islington North) (Lab): Will the Minister join me in condemning Mubarak's attempt to shut al-Jazeera, which has proved to be an effective reporting mechanism? Does he agree that none of the attempts to shut the media will stifle the message that large numbers of young people are very angry at 30 years of human rights abuse, neo-liberal economics and unemployment, and that until those issues are addressed there will be no stability or peace in Egypt or indeed in any other country that follows those policies?

Alistair Burt: The hon. Gentleman is right to condemn attempts to shut any electronic media, including al-Jazeera. It is completely self-defeating. There will always be

[Alistair Burt]

ways to provide information and we have, indeed, urged on the Egyptian Government the opening up of all electronic media, including al-Jazeera, as soon as possible.

Duncan Hames (Chippenham) (LD): What representations did the British Government make to the Egyptian Government before the supposed elections last year about making those elections free and fair?

Alistair Burt: I thank my hon. Friend for making a pertinent point. We urged on the Egyptian authorities the appointment of independent monitors for the elections, as we have done in respect of the presidential elections that are due, all other things being equal, in September this year. A measure of transparency would have been very welcome in those parliamentary elections, and we will continue to press this route on the Egyptian authorities.

Mr Andy Slaughter (Hammersmith) (Lab): There are a great many people of Egyptian origin in this country, including many of my constituents. No doubt we all share their concerns not just about what is happening in Egypt, but about the safety of friends and family. What my constituents asked me to put to the Minister is, first, that this opportunity for reform should not be missed; and, secondly, that if and when the old regime falls, there are likely to be profiteers escaping from the country with ill-gotten gains. Will the Minister assure us that they will not be given sanctuary in this country and that British banks will not support any attempt to take money out of Egypt illicitly?

Alistair Burt: The hon. Gentleman raises an interesting point. It was noticeable, particularly in respect of Tunisia, that the international community moved quickly in response to the Government's requests to stop money that they considered to have been abstracted illegally. The British Government would consider any similar requests, should they emerge—but that is some way down the line, as the hon. Gentleman will, I am sure, appreciate.

Mr Tobias Ellwood (Bournemouth East) (Con): I thank my hon. Friend for his statement. These are dramatic events, which happen once in a generation, and the mother of all Parliaments should salute the people-power that overthrows a dictator. Does my hon. Friend agree, however, that other nations should be looking closely at what has happened in Tunisia and is happening in Egypt? Does he also agree that we should use our influence cautiously, as we need only look over our shoulders at what happened in Iran and Algeria to see how things can turn out?

Alistair Burt: My hon. Friend draws attention to the fact that although the underlying tensions in many of the countries in the region might be similar, each country is indeed different. Reactions to protests such as we see in Egypt are different and the reactions are often different some months after the protests. Algeria remembers, of course, the dark days of its civil war and would understandably have no wish to go down that road again. The people's revolution in Iran—or, at least, the attempted people's revolution in Iran 18 months ago—was savagely repressed. Nobody quite knows what the process will be in Egypt. Having experienced those examples, however, what the international community can say clearly is that in this case we would like an orderly process of reform. The opportunities for that are there; we very much hope that both parties will seize the chance and produce an Egypt that they would be proud to see taking its place in the international community.

Mr Stephen Hepburn (Jarrow) (Lab): I know the Minister will agree that one of the main causes of unrest in Egypt is the fact that a third of the population live on a few quid a day. Will he make sure that the British Government's position is to try to ensure that the Egyptian trade union movement is involved in any resettlement talks, so that poverty issues can be discussed?

Alistair Burt: It is not for the United Kingdom Government to dictate who might be part of political settlements in any country. I am sure that it is true that the trade union movement in Egypt has a part to play, but that is a matter for the Egyptian people to decide.

Geoffrey Clifton-Brown (The Cotswolds) (Con): As the House must be aware, Egypt is a highly important partner in the context of stability, not only in the middle east peace process but in the wider middle east through the Suez canal and into north Africa. Will my hon. Friend undertake to do all that he can to ensure a peaceful transition by ensuring a peaceful press, a peaceful judiciary and a transition to full, fair and open presidential elections later this year?

Alistair Burt: In mentioning the press, the judiciary and the democratic process of free and fair elections, my hon. Friend has put his finger on three of the essential items that make a country stable. They are all immensely important, no matter what difficult pains may be involved in that democratic process. I have no doubt that the Egyptian authorities will be well apprised of them, and I hope that they will be part of the process over the coming weeks and months.

David Rutley (Macclesfield) (Con): I am grateful for the Minister's assurances about what is being done to protect British tourists in Egypt. This morning, however, I was contacted by a constituent who had been told by his brother-in-law, based in Sharm el Sheikh, that some hotels were boarded up and food rationing was in operation. According to the website of the Foreign and Commonwealth Office, the situation is calm. Does the Minister agree that that information should be revised in order better to advise British tourists and other travellers and their families?

Alistair Burt: I thank my hon. Friend for raising that point. Although the situation in Sharm el Sheikh is genuinely calm and we receive regular updates on it almost hourly from our honorary consul, it is true that certain hotels have taken the precaution of ensuring the safety of their guests by warning them about the curfew and indeed, in some instances, erecting barricades. That has been done in response to their own concerns about what might happen; none of it has been done in response to incidents that have already happened.

Although guests and British tourists have understandably been slightly alarmed by what has been done, we understand that it has been done entirely for their own protection,

and that the situation is indeed calm. Our travel advice therefore remains that it is safe to go to Sharm el Sheikh, and we sincerely hope that that is still the case. If there were any changes we would know about them quickly, and would respond accordingly.

Tracey Crouch (Chatham and Aylesford) (Con): Will the Minister join me in condemning President Mubarak's use of the military aircraft that were deployed yesterday to threaten and intimidate legitimate protesters on the streets of Cairo?

Alistair Burt: I am sure that none of us who saw those pictures could quite work out what was intended to be conveyed, or whether it had delivered precisely what the Egyptian Government had intended. It is not for us to comment on the reasons for the deployment of aircraft, but we sincerely hope that it does not presage attempts to use any form of violence to deal with what is essentially a peaceful reform protest.

Stephen Mosley (City of Chester) (Con): There have been reports in the press about attempted looting of the Egyptian museum in Cairo, which is home to many unique artefacts of global importance, including the Tutankhamun treasures. Will the Minister ensure that the British Government send a strong message to Egypt about the importance of maintaining the safety of its unique archaeological heritage?

Alistair Burt: I understand that the Egyptian authorities were equally alarmed by the possibility that lawlessness would extend to looting which might involve their antiquities, and that they have responded accordingly. It is to the benefit of the whole world for those antiquities to be preserved and for the museum to be safe, and we are sure that the Egyptian authorities are well aware of the need to do just that.

Sajid Javid (Bromsgrove) (Con): I thank the Minister for his statement. Ever since Egypt signed an historic peace agreement with Israel in 1979, we have rightly considered her to be a very strategic and reliable ally. Has the Minister made any assessment of the impact of an abrupt regime change in Egypt on our own national security?

Alistair Burt: The Foreign and Commonwealth Office, in line with various other bodies, is indeed considering the implications of what all this might mean. While no one can say precisely where it will end, my hon. Friend is right to observe that the strategic interests of the United Kingdom are furthered by a Government, of whatever sort and whoever leads them, who retain the same strategic sense of the importance of stability in the middle east, the need to find a solution to the middle east peace process as quickly as possible, and the need to maintain the best possible relations with its neighbours, while also playing a part in ensuring regional security—particularly in relation to countries such as Iran.

Mel Stride (Central Devon) (Con): The Minister rightly states that it is, of course, for the Egyptian people to decide their Government's future. Nevertheless, will he inform the House what actions our Government may be able to take to minimise the possibility of an extremist Government taking over, as unfortunately happened on the Shah of Iran's fall in 1979?

Alistair Burt: The nature of my hon. Friend's question and the way in which he put it show that he appreciates that there is a limited amount that any external source can do to dictate to the Egyptian people what they might do with freedom of expression through the ballot box. The best thing we could do is make clear, once again, our belief that Egypt's interests would be best served by having a moderate reformed Government who look at their place in the world and at the dangers of extremism and themselves turn away from those who would advocate that course, either in the region or in the world. We believe that Egypt should find itself with a Government with whom not only Egyptians, but others would be comfortable.

Points of Order

4.11 pm

Catherine McKinnell (Newcastle upon Tyne North) (Lab): On a point of order, Mr Speaker. I would be grateful for your guidance in relation to recent announcements made in the media about convictions following the Ratcliffe-on-Soar power station protest. As shadow Solicitor-General, I wrote to the Attorney-General on 14 January asking for an urgent update on this case—I am yet to receive a response. When I met the Director of Public Prosecutions on Tuesday, I was informed that the Independent Police Complaints Commission was investigating the case and that no comment could be made until that process was complete. Yet, on Friday, only a couple of days later, both the BBC and *The Guardian* appear to have been officially informed that the DPP will appoint a senior barrister to review all 20 cases, less than two weeks after sentencing took place. Given the significance of this case and the wider questions that arise for our criminal justice system, could you provide some guidance on how I may ensure that the Attorney-General, who is accountable to this House for the actions of the Crown Prosecution Service, ensures that announcements of this gravity are made to this House, and not directly to the media, particularly where an update has been specifically requested?

Mr Speaker: I thank the hon. Lady for her point of order. I am not familiar with the circumstances to which she draws attention, but I can say to her and to the House that I have not been informed of any Government intention to make a statement on this matter today. The hon. Lady asks for my guidance as to how best she might pursue the matter. The short answer is that she should discuss with the Table Office other opportunities for her to pursue the matter to what hopefully will be, from her point of view, a satisfactory conclusion.

Chris Bryant (Rhondda) (Lab): On a point of order, Mr Speaker. The BBC is reporting that at a recent meeting of the 1922 committee, and in relation to the Parliamentary Voting System and Constituencies Bill, the Prime Minister promised

> "that no Conservative MP would lose out from the reduction in the total number of MPs from 650...to 600, and there would be no head-on contests between Tory MPs for the newly drawn constituencies."

The report goes on to cite the Prime Minister as saying that anybody who lost out would be offered a seat in the Lords. Is that not bribery?

Mr Speaker: I am very grateful to the hon. Gentleman for his attempted point of order, and I make three points, which I hope the House will readily understand. First, these are not matters for the Chair. Secondly, I am not responsible for the statements of the Prime Minister. Thirdly, I am most certainly not responsible for what takes place at the 1922 committee. I hope that that is pretty clear.

Jeremy Corbyn (Islington North) (Lab): On a point of order, Mr Speaker. You will have heard the statement on Egypt and everyone's plea that people in Egypt may have universal access to the media. In those circumstances, would you consider expanding the number of satellite channels available on the TV in this building to include al-Jazeera, which has given such good coverage of what is going on in Egypt?

Mr Speaker: May I say to the hon. Gentleman that that is not a point of order, although, arguably, it is a point of some ingenuity? I think that I had better leave it there.

Health and Social Care Bill

[Relevant document: The Third Report of the Health Committee, Commissioning, HC 513]

Second Reading

4.14 pm

The Secretary of State for Health (Mr Andrew Lansley): I beg to move, That the Bill be now read a Second time.

The purpose of the Bill can be expressed in one sentence—to improve the health of the people of this country and the health of the poorest fastest. While the previous Government increased funding for the national health service to the European average, they did not act similarly to increase the quality of care. We spent more, but others spent better. In important areas, the NHS performs poorly compared with other countries. An expert study found that out of 19 OECD countries that were investigated, the UK had the fourth-worst death rate from conditions that are considered amenable to health care. If NHS outcomes were as good as the EU15 average, we would save 5,000 lives from cancer and 4,000 lives from stroke every year. We would also prevent 3,000 premature deaths from respiratory disease and 1,000 premature deaths from liver disease every year. This cannot go on: things have to change to protect the NHS and deliver better results for patients.

Mr Kevin Barron (Rother Valley) (Lab): I do not dispute what the Secretary of State says about European comparators, but what does he say to Professor John Appleby, who said last Friday that all those markers, some of which are not direct comparisons, are getting nearer to European targets? Professor Appleby suggested that the disruption that is going to take place in the health service will not help us to do that.

Mr Lansley: I would say two things to Professor John Appleby. First, the latest data published in EUROCARE-4, which I know the right hon. Gentleman will have seen, are clear about the gap between cancer survival rates in this country and others, and in recent years that gap has not diminished as it should have. He can read in last week's *Lancet* an authoritative study of cancer survival rates in this country and a number of others demonstrating that the gap remains very wide and that we have to close it. Secondly, the King's Fund supports the aims of the Bill and Professor Appleby, as a representative of the King's Fund, clearly understands, as we do, that if we are to deliver the change that is needed, we need the principles in the Bill.

People trust the NHS, and its values are protected and will remain so—paid for from general taxation, available to all, free at the point of delivery and based on need rather than the ability to pay. However, a system in which everyone is treated the same is not one that treats everyone as they should be treated. Our doctors and nurses often deliver great care, but the system does not engage and empower them as it should.

Geraint Davies (Swansea West) (Lab/Co-op): On the John Appleby point, does the Secretary of State accept that what he actually said was that the rate of deaths from heart disease would be better in Britain than in France by 2012, on current trends, even though France spends 28% more on its health service? Is not that a ringing endorsement of what is happening now rather than a prescription for blowing up the system as the Secretary of State suggests?

Mr Lansley: First, I have just answered the point about John Appleby. It is true in a number of respects, as I have made clear, that although there have often been improvements in the NHS, they have not been what they ought to have been. It was a Labour Prime Minister, back in 2001, who said that we must raise resources for the NHS to the European average, but he did not achieve results that compared with the European average.

Let me give the hon. Gentleman some examples. A recent National Audit Office report showed that as many as 600 lives a year could be saved in England if trauma care were managed more effectively. Too often, the latest interventions, which are routine in other countries, take too long to happen here. John Appleby used heart disease to illustrate his point. Primary PCI—percutaneous coronary intervention—using a balloon and stent as a primary intervention to respond to heart attack was proven to be a better first response years ago. I knew that because cardiologists across the country told me so several years ago. I remember a cardiologist at Charing Cross telling me, "I have a Czech registrar working for me who says that in the Czech Republic PCI as a response to a heart attack is routine, but it hardly ever happens in this country." Since then, it has been better implemented in this country, but that started to happen only when the Department of Health gave permission for its adoption.

The same was true of thrombolysis for stroke. That happened too late in this country, after such changes had taken place in other countries, because health care professionals there were empowered to apply innovation to the best interests of patients earlier.

Nadine Dorries (Mid Bedfordshire) (Con): Does my right hon. Friend agree that, given the disparity in survival rates in trauma care and in many illnesses, including cancer care and heart attacks—citizens in this country are twice as likely to die of a heart attack as those in France—the NHS is in desperate need of modernisation?

Mr Lansley: My hon. Friend is right. We need not only to match European spending, as we do now, but to ensure that we achieve European-level results. It is not just about benchmarking, which we know we must do. We must benchmark ourselves against the best in the world if we are to deliver the best results for patients. We must also constantly make sure that we achieve a modernised health service that delivers the best possible care—sometimes going ahead of what others achieve, and applying innovation more quickly.

In some ways, as we know—for example, in mortality rates from accidents and from self-harm, and in equity of access to health care—the NHS leads the world, but our doctors and nurses are regularly hobbled by a system that treats equality as sufficient, when what we need is both equity and excellence.

Mr Denis MacShane (Rotherham) (Lab): Given the Secretary of State's praise for health care systems in Europe, which we are all connected to, will he consider

[Mr Denis MacShane]

allowing British patients to seek such health care in Europe, paid for by the NHS?

Mr Lansley: With his knowledge of European matters, the right hon. Gentleman knows that we are in the later stages of the collective approval through the European Union of the European cross-border health directive, which allows precisely that and makes it clear that the same criteria are applied to patients seeking health care in other countries as would apply were they to seek it through the NHS in this country.

Ian Lucas (Wrexham) (Lab): Will the Secretary of State give way?

Margaret Hodge (Barking) (Lab): Will the Secretary of State give way?

Mr Lansley: In a moment. I have just answered one question.

Why did spending more not deliver better results? We know why that is—*[Interruption.]* No, better results should have been achieved. Opposition Members need to realise this, because it has been at the heart of their failure in public service reform over the past decade: the Office for National Statistics said a few weeks ago that productivity in the NHS fell in every one of the past 10 years. It fell by 1.4% a year in hospital services.

Despite a huge amount of money rightly invested in the NHS, taxpayers and patients were not getting the service that they should have had. Billions of pounds have also been wasted on an ever-growing bureaucracy, taking money away from the front line and away from patient care. The number of managers doubled under Labour. I give way to the Chair of the Public Accounts Committee.

Margaret Hodge: I thank the right hon. Gentleman. He is right to draw attention to the fact that productivity has fallen in the past 10 years, but should he not consider whether it is wise in those circumstances to distract people from driving up productivity and achieving savings by the unnecessary institution of reform? That is just taking people away from the thing that they should be concentrating on.

Mr Lansley: The right hon. Lady should understand, as I will go on to explain, that we are not distracting the NHS from the need to improve services for patients. We are enabling the NHS to improve services for patients. In her role on the Public Accounts Committee, she should understand that right across the public services, one of the consequences of dealing with the deficit is that we will have to reduce the costs of bureaucracy and administration.

We will do that in the NHS as much as anywhere else, but we will not do it in the way that the Labour party pressed us to do, which was to cut the NHS budget—[Hon. Members: "What?"] Yes, Opposition Members did exactly that. We will increase the NHS budget. As we set out in the spending review, we will increase the NHS budget by £10.7 billion over the life of this Parliament—investment that Labour opposed—and we are determined to get far more for British taxpayers' money.

Angie Bray (Ealing Central and Acton) (Con): My right hon. Friend will be aware that there has recently been an excellent reorganisation of stroke treatment in London, with a number of hospitals earmarked as emergency centres, all of which, crucially, are within 30 minutes of every Londoner. Once patients have been through the emergency procedures and are stabilised, they are returned to local stroke centres, which are also earmarked as part of the whole programme. Can he reassure me that that kind of regional organisation of hospitals, which has delivered good results, will not suffer through some of the proposed reforms?

Mr Speaker: Order. I remind Members that interventions should be short. There are 57 Members seeking to speak in the debate, so interventions must be pithy.

Mr Lansley: Thank you, Mr Speaker. I can give my hon. Friend the Member for Ealing Central and Acton (Angie Bray) precisely that reassurance. I was with NHS London at the beginning of last week, and it is clear that GP commissioning groups are coming together with providers to develop those kinds of commissioning plans, going beyond trauma and stroke care, which has already happened in London, to look, for example, at the integration of diabetes care between primary care and hospital services.

Under the Bill, patients will come first and will be involved in every decision about when, where, by whom, and even how, they are treated—"there must be no decision about me, without me." The 2002 Wanless report called for patient engagement, but that did not happen. Now it will. Because patients cannot be empowered without transparent information, an information revolution will give them more detailed information than ever before, showing them and their doctors the consultants who deliver the best care, giving them control over their own care records and enabling everyone to access the care they need at the right place and at the right time. Patients and their doctors and nurses will be able to see clearly which health care provider offers the best outcomes and to make their decisions accordingly.

Ian Lucas: The right hon. Gentleman is being generous in giving way. If those proposals are so important and necessary, why were they not included in the Conservative party manifesto at the general election?

Mr Lansley: They were, as I will explain in a minute.

Mr Bernard Jenkin (Harwich and North Essex) (Con): May I assure my right hon. Friend that this is not being greeted by local GPs in my constituency as some disruptive revolution, but as a logical extension of all the debate and development in the NHS over the past 20 years or more on giving patients more power and GPs more control over the allocation of resources?

Mr Lansley: I agree with my hon. Friend. In effect, that gives the lie to what the hon. Member for Wrexham (Ian Lucas) suggested. The coalition agreement states:

"We will strengthen the power of GPs as patients' expert guides through the health system by enabling them to commission care on their behalf."

Our manifesto stated that we would strengthen the power of GPs,

"putting them in charge of commissioning local health services."

Ian Lucas: Will the right hon. Gentleman give way?

Mr Lansley: I am sorry, but 57 Members wish to speak, as you have rightly told us, Mr Speaker. I will give way as often as I can, but more than one intervention from each Member is excessive. *[Interruption.]* I have just quoted from the coalition agreement and our manifesto, so hon. Members have heard both.

Through the outcomes framework, which we published in December, we will stop the top-down, politically motivated targets that have led to real quality being sidelined. We will ensure that we focus on the outcomes that really matter and back them up for the first time with quality standards that are designed to drive up outcomes in all areas of care. Those standards have not been dreamt up in Whitehall, but are being developed by health professionals themselves. Similarly, doctors and other health professionals will not be told by us how to deliver those standards. The standards will indicate clearly what is expected, but it will be up to clinicians to decide how to achieve them. At every step, clinical leadership—that of doctors, nurses and other health professionals—will be right at the forefront. It will be an NHS organised from the bottom up, not from the top down.

The shift in power away from politicians and bureaucrats will be dramatic. The legislation none the less builds on what has gone before. It is not a revolution, but as the shadow Secretary of State said just a fortnight ago:

"The general aims of reform are sound—greater role for clinicians in commissioning care, more involvement of patients, less bureaucracy and greater priority on improving health outcomes—and are common ground between patients, health professions and political parties."

Emma Reynolds (Wolverhampton North East) (Lab): The right hon. Gentleman quoted the National Audit Office earlier. Does he agree with the statement in its report that his revolution in and upheaval of the NHS risk undermining the quality initiative—the so-called QIPP programme—that the previous Government introduced?

Mr Lansley: No, far from it—actually, quite the contrary. It is only by virtue of our ability to engage front-line clinicians more strongly in the management and design of care that we will deliver those quality, innovation, productivity and prevention ambitions; and it is only if we cut bureaucracy and the costs of bureaucracy that we will be able to get those resources on to the front line more effectively. I made it very clear, and the shadow Secretary of State endorsed the view, that there is consensus about the purposes of reform, but if Labour now voted against the Bill, although we do not know whether it will, it would abandon that consensus and, indeed, its own policies when in government.

Mr Jim Cunningham (Coventry South) (Lab): Can the right hon. Gentleman say how many jobs will go in front-line services and how many hospital closures there will be as a result of his policies?

Mr Lansley: I just wish that the hon. Gentleman would look at the latest published data. Since the election, we have reduced the number of managers in the health service by almost 4,000 and increased the number of doctors. For the first time, there are more than 100,000 doctors in the NHS, and we are increasing the number of health visitors, after years of their numbers being reduced under the previous Government. He should get his facts right before he starts flinging accusations about.

Mr Ronnie Campbell (Blyth Valley) (Lab): Will the right hon. Gentleman give way?

Mr Lansley: No. I am going to make some progress.

The Labour party, when in government, pioneered patient choice; Labour said, "We must have patient choice." I remember John Reid, when he was a Member, saying that the articulate and the well-off negotiated their way through the health service, and that he wanted to give choice to everybody in the health service. He was right. The social attitudes survey in 2009 found that more than 95% of people felt that they should have more choice, but that fewer than half of patients actually experienced it. The Labour party started down the road of extending choice; we will complete that journey.

Andrew George (St Ives) (LD): On patient choice in health service design, is the Secretary of State aware that in Cornwall the primary care trust has engaged in the transfer of community hospitals and services without adequate public consultation and at breakneck speed? If "no decision about me, without me" is to apply to service design and patient involvement, is he prepared to intervene to ensure that the public are involved in such important decisions?

Mr Lansley: I am grateful to my hon. Friend for that point. I have not previously been asked to comment on the matter, nor have I received information about it, but from my visits to Cornwall I entirely endorse his view about the importance of community hospitals in accessing services. He will see that, in the Bill, a specific duty is placed on the commissioning board and each commissioning consortium to reduce inequalities in access to health care. He will see also that, through the Bill, we will strengthen accountability where major service change takes place, because it will require not only the agreement of the commissioning consortium, representing as it were the professional view, but the endorsement of the health and wellbeing board, which includes direct, local, democratic accountability. Points have been made about what was in manifestos, but the Liberal Democrat manifesto was very clear about the need for democratic accountability in health service commissioning—and so there will be.

Let me return to the point, because the previous Government also went down the route of practice-based commissioning. It was their policy, but, as the shadow

[Mr Lansley]

Health Minister, the hon. Member for Leicester West (Liz Kendall) said, many GPs felt that

"they didn't always get the power, responsibility and resources they might have wanted."

Well, now they will, and we will give it to them.

On our definition of quality, Opposition Members say "quality matters". It does, and it was under the Labour Government that Ara Darzi pioneered the thought that quality must be at the heart and an organising principle of the health service. It is we now who are going to make that happen. We are publishing quality standards. We are putting into this legislation a duty to improve quality that extends to all the organisations that commission and provide NHS services.

Mr Ronnie Campbell: Will there be public accountability for the private companies that will come in and do the commissioning for the doctors? I can see their people getting top salaries—the executive getting £200,000 and the financial officer getting £250,000. That is the sort of thing that we are trying to stop. What will happen when these companies run things for doctors?

Mr Lansley: The accountability in the NHS will be for the quality of the service being provided. The hon. Gentleman may not have agreed with the last Labour Government on this, and perhaps many in the Labour party are now changing their view on what was pursued by that Government, but it was that Government who introduced and encouraged a policy of "any willing provider". In 2003, Alan Milburn said:

"If I can get a private-sector hospital to treat an NHS patient, then for me the person remains an NHS patient."

Everybody in the NHS who provides NHS services will be accountable through the—*[Interruption.]* The money will follow. The Chair of the Public Accounts Committee is here. Where public money goes, accountability for its use will follow.

Clive Efford (Eltham) (Lab) *rose—*

Hugh Bayley (York Central) (Lab) *rose—*

Mr John Baron (Basildon and Billericay) (Con) *rose—*

Mr Lansley: Let me complete this point, then I will give way to my hon. Friend the Member for Basildon and Billericay (Mr Baron). On the point of allowing the independent sector to be a provider to the NHS, I should say that it was the right hon. Member for Leigh (Andy Burnham), the shadow Secretary of State's predecessor, who said that

"the private sector puts its capacity into the NHS for the benefit of NHS patients, which I think most people in this country would celebrate."—[*Official Report*, 15 May 2007; Vol. 460, c. 250WH.]

Well, Labour Members are not celebrating it now; they have reverted to type.

Mr Baron: The Government's increased focus on improving outcomes is long overdue and very welcome, but will the Secretary of State address the issue of cancer networks and the concern that some of the expertise may be lost because of the funding gap between the end of funding for the cancer networks themselves and GP commissioning fully taking effect? Can the Government do anything to bridge that gap so that we allow GP consortia to be better informed in making decisions about what services to commission?

Mr Lansley: My hon. Friend rightly takes a close interest in these matters. When I was with him and other colleagues at the Britain against cancer conference, I made it clear—and he made it equally clear—that the cancer networks funding is guaranteed during the course of 2011-12. There is not a gap, because from April 2012 onwards the NHS commissioning board will take up its responsibilities. There will then be decisions by the commissioning board about how it will structure that.

Let me come back to what the last Labour Government did. They introduced the concept of payment by results. Unfortunately, however, payment tended to be by activity and not by results. We will now make it payment by results and really make that happen.

To complete the picture, I should say that throughout the Bill there are elements of policy that we are taking forward, such as foundation trusts. The Bill follows the brainchild of Alan Milburn and Tony Blair back in 2002. In 2005, the Labour Government said that every NHS trust should become a foundation trust by December 2008. That just did not happen. Again, it will be our task to make modernisation in the NHS consistent and comprehensive.

Mr David Lammy (Tottenham) (Lab): Will the Secretary of State say how many GP contractors he estimates will be private companies? Will he also make it clear to the House that none of the private medical providers that funded his office in opposition will gain from the change?

Mr Lansley: There are two points to make. First, we have made no estimate of the extent to which GP-led commissioning consortia will contract with independent sector providers, so I cannot give the right hon. Gentleman such an estimate. Secondly, I did not receive money directly from a private health company for my office while in opposition. So there we are.

Labour's reforms were piecemeal and incoherent. Under the previous Conservative Government, the internal market and fundholding of the early 1990s failed to promote quality and risked conflicts of interest among GPs. We have learned from those mistakes and from the failings of a Labour Government over the past 13 years. This Bill is different. It views the NHS as a whole service, every bit of it geared towards meeting patients' needs. This Government understand that the best health care comes from the close partnership between patients and their clinicians. Every part of the NHS, every incentive, every structure and every decision must support and strengthen that relationship.

First, we will place the individual needs of each patient above all else, encouraging, wherever possible, a personalised approach to health care, tailoring services to have the greatest individual, and greatest overall, impact. Secondly, decisions made in the consulting room, in local service design, in commissioning, and in the services any particular provider offers, will be local decisions—real autonomy and real devolution of power.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): Will the Secretary of State give way?

Mr Lansley: In a moment. *[Interruption.]* The right hon. Gentleman's Front Benchers have been asking me to explain what the Bill does, and I am doing that.

Thirdly, there will be relentless focus on quality, embedded within a new legal duty. Fourthly, there will be a diverse and vibrant social market for health care. We will encourage NHS staff to set up social enterprises and foundation trusts, and we will encourage new capacity in delivering services through social enterprises, charities, private companies, and, indeed, NHS providers.

We want clinicians and their patients to lead the NHS, but they cannot do this while they sit under a vast hierarchy of regional and local organisations, all reporting to Whitehall. Everyone agrees that top-down command and control gets in the way of clinicians doing their job, so we need to dismantle the structures that sustain that interference; that is why we will abolish primary care trusts and strategic health authorities. There are many excellent people working in those organisations. Many will move to be with the new general practice-led commissioning consortia, to local authorities and to the NHS commissioning board. Some will want to set up their own new social enterprises. But even the best people cannot deliver the NHS that patients need if things stay as they are, so we will also introduce direct local democratic accountability. Councillor-led health and wellbeing boards will oversee and work with local NHS consortia, working to bring together the NHS, social care and public health services, and bringing a strategic coherence to the health and well-being of local communities.

Mr Blunkett: On bottom-up decision making at a local level, will the Secretary of State give a guarantee to the House that if the GPs now coming together in consortia decide that they wish to employ the expertise residing in the current primary care trust, he and the future health board will not intervene to stop them doing that? Will he also guarantee that he will not insist on redundancies that cost a fortune and preclude that expertise being available to the existing local consortia, with private enterprises then employing them to do the job that they were doing in the first place?

Mr Lansley: Let me make two points to the right hon. Gentleman. First, in the impact assessment that we published with the Bill on 19 January, we set out very clearly our estimates—they are no more than estimates since they will have to be decided by the general practice commissioning consortia and local authorities—that between 50% and 70% of the staff in primary care trusts would be employed in the successor organisations.

Secondly, the idea that somehow general practice-led commissioning consortia would engage the private sector where that has not happened up until now is, I am afraid, completely contradicted by the facts. Under the Labour Government, in the two years leading up to the election, there was an 80% increase in the use of management consultants, while at the same time the number of administrators and managers in those same organisations was rising dramatically. We arrived at the point where there were 50,000 administrators in primary care trusts, and they were still spending nearly £300 million a year on top for management consultancy. That all has to change.

One thing that Labour abjectly failed to do was to empower patients with a real voice in the health service. Through this Bill we will establish local healthwatch organisations that will represent the patient's voice in the design of local services and help individual patients, especially the most vulnerable, to make the most of the choices available to them and to help them when things go wrong. Sitting within the Care Quality Commission, the national healthwatch organisation, too, will act as the eyes and ears of the quality regulator, and work to give the local organisations real teeth in their dealings with their local NHS—something that was completely, abjectly destroyed by the Labour Government when they abolished community health councils. Indeed, I know that families of those treated at the Mid Staffordshire hospitals welcome the additional powers for patients to have a voice.

Jeremy Lefroy (Stafford) (Con) *rose—*

Clive Efford *rose—*

Mr Lansley: I give way to the hon. Gentleman. I will give way to my hon. Friend the Member for Stafford (Jeremy Lefroy) in a moment because I referred to Staffordshire.

Clive Efford: The right hon. Gentleman will know that the Bill introduces European competition law into the national health service, and removes the existing protection once and for all. His Government have just taken the decision to put billions of pounds into stopping Irish banks failing. If a local hospital fails under the new market arrangements, will he step in and save it?

Mr Lansley: Time does not permit me to explain the extraordinary ignorance of that series of points. First, the Bill sets out that the regulator will have a responsibility to establish a failure regime. In 2003, when the predecessors of those currently on the Labour Front Bench took the health legislation through the House, they said that they would introduce a failure regime, to be implemented by Monitor, in legislation. They never did so. At the moment, there is therefore no proper failure regime.

Secondly, European competition law—indeed, competition law—applies in this country. A body was established in the national health service under the previous Labour Government called the co-operation and competition panel, the express purpose of which was to apply competition rules in the NHS. To that extent, all the Bill will do is to ensure that the rules that already apply are applied fairly, consistently and transparently across all providers.

Jeremy Lefroy: The Secretary of State referred to the Mid Staffordshire NHS Foundation Trust, into which an inquiry is taking place. What lessons from the various investigations have been applied in the Bill to address the concerns that have been raised?

Mr Lansley: I am grateful to my hon. Friend for that question. In addition to the measures on healthwatch and patient voice, we are strengthening the responsibilities of commissioners. As I suspect he knows from his local

[Mr Lansley]

knowledge, general practitioners knew in many cases that the services at Stafford hospital were not meeting the quality of care that they ought to have met. However, there was no transparency in the outcomes, and there was no responsibility collectively among general practices and local health professionals to intervene. There was no mechanism that enabled or incentivised them to do so. We are going to change that. When Sir Robert Francis's report is published in due course, I hope that the Bill, by strengthening patient voice, commissioning and the regulatory structure, will give the opportunity for whatever recommendations he makes to be implemented rapidly.

Several hon. Members *rose—*

Mr Lansley: I apologise, but I have taken longer than I had intended, and 57 Members are waiting to speak.

I will explain further what the Bill will do. Local authorities, with a ring-fenced budget, will bring public health to the front and centre of public policy. This is not just about the NHS, but about improving the health of the whole population. That is why we are putting local authorities at the heart of it. The health of the general public is as much about the environment, the economy, housing and transport as what happens in the NHS. Health and wellbeing boards will make the link between health and social care, which have too often been in silos. We understand how intertwined those things are and how they must work together.

Mr Lammy: Will the right hon. Gentleman give way?

Mr Lansley: No, not at the moment.

The unions, of course, are against this modernisation of our public services. I suspect that they are the "forces of conservatism" that, more than a decade ago, the former Prime Minister told us he had to fight against. They oppose the principles of our plans, or so they say, but do they have an alternative? No. That contrasts completely with the reaction of general practitioners and health care professionals in GP pathfinders.

Mr Lammy *rose—*

Mr Lansley: I have given way to the right hon. Gentleman before.

General practitioners and health care professionals in GP pathfinders are, in contrast to the unions, enthusiastic about what we are trying to achieve. For example, Dr Paul Zollinger-Read, a general practitioner and the chief executive of NHS Cambridgeshire, said recently:

"In our area, the GPs got together and focused on quality of care. They looked at diabetic care, for example, and services in this area improved. That means fewer diabetics will need to go to hospital in an emergency, there will be fewer amputations and less heart and kidney disease."

Far from GPs being reluctant at the thought of taking on new responsibilities, applications to be pathfinder consortia were over-subscribed.

Charlie Elphicke (Dover) (Con): Will my right hon. Friend give way?

Mr Lansley: No, not at the moment. Sorry.

There are now 141 pathfinders, covering more than 28 million patients. More than half the population are already benefiting from the clinical leadership of their local health professionals. I have met some of the pioneers, such as in Redbridge, where they are pioneering bringing ophthalmology and dermatology services out into the community, and in Bexley, where they have pioneered better access to cardiology services for their patients. *[Interruption.]* Opposition Members say that they were doing that, but my whole point is that we are turning the exceptional cases in which GPs have had such opportunities in the past into the opportunity for all GPs across the country to do so. The Opposition might like to talk to the new chair of the clinical cabinet in Bexley, one Dr Howard Stoate, whom they will recall as a Member of the House before the election.

It is not only GPs who are anxious to get on with it. We are already working with 25 early implementer health and wellbeing boards that want to start bringing benefits to their communities. By April, we expect to be working with up to half of all local authorities, and the Bill will create that framework. Whereas the previous Government often talked a good game, we will put our ambitions and the new roles into law. The Bill explicitly defines roles and responsibilities that were previously at the discretion of Ministers. Until now, legislation on the NHS has more or less said, "The NHS is whatever the Secretary of State chooses to make it at any given moment." That was why, in the past, reorganisations took place on a practically annual basis under the Labour Government, without there ever being any consistency or coherence to them. I intend to be the first Secretary of State in the history of the NHS who, rather than grabbing more power or holding on to it, will give it away.

As well as devolving decision making, the Bill will transfer power back to Parliament and strengthen the accountability and transparency of the NHS. It will protect the NHS constitution, ensuring that the rights in it are reflected within NHS commissioning and regulation. It contains a number of new duties, including a duty on the Secretary of State, the NHS commissioning board and each commissioning consortium to seek continuous improvement in the quality of services, and to seek to reduce inequalities in access and health outcomes.

The Bill contains a duty of autonomy, so that politicians allow providers and commissioners to provide the best care as they see fit, minimising burdens wherever possible. There is a duty on Monitor to protect and promote the interests of patients, through competition where appropriate and through regulation where necessary. The role of local authorities will increase greatly, including not only the scrutinising of local health services but a duty to promote integrated working between the NHS, social care services and public health services.

As I have said, in 2003 Labour promised a proper regime in the event of the failure of any provider of NHS care. They did not provide that; this Bill will. Should a provider fail, there will be a transparent process for maintaining designated services, to ensure continuity of services for patients.

Monitor will be empowered to set up a "risk pool", to which providers will pay a levy that will meet the costs of maintaining key services. There will also be a

clear and transparent process for setting the NHS tariff for different services. The National Institute for Health and Clinical Excellence will develop quality standards, give advice and make recommendations on the clinical effectiveness of medicines and treatment. As the shadow Secretary of State said a fortnight ago, the Bill is "consistent, coherent and comprehensive". It will put patients first and improve health outcomes.

Several hon. Members *rose—*

Mr Lansley: I must conclude and allow other Members to contribute to the debate.

The Bill will change structures, abolish bureaucracy and inject added competition, but those are only the means to a much greater end. As large and complex as it is, there is one simple objective behind the Bill—better care for patients, measured not by political targets but by real results for patients. It is about gearing the entire system towards supporting the relationship between doctor and patient—a "meeting of experts", as Tuckett would have called it, with the patient being an expert on themselves and the clinician being an expert on their clinical management and condition. It is about bringing the two together based on trust, transparency and the best available treatment from the best available provider.

Previous changes have tinkered with one piece of the NHS or another, when what was needed was comprehensive modernisation to create an NHS fit for the demands of the 21st century. That is precisely what this Health and Social Care Bill will deliver. What we see from the Labour party is nothing but opposition for its own sake—opposition to the modernisation that the NHS needs—and most of it is inconsistent with Labour's own manifesto. It is clear that Labour opposes not only our investment in the NHS and our cuts in NHS bureaucracy but our modernisation of the NHS, which it pursued while in government.

The House knows my passion for the NHS, my respect for those who work in it and my ambition for it to be the best health care service in the world. This Bill, and the modernisation of which the Bill is just a part, are about that passion for the NHS and for securing its future. I commend the Bill to the House.

4.55 pm

John Healey (Wentworth and Dearne) (Lab): The Health Secretary is a man who is struggling to sell his plans. The more people learn about them, the less they like them. The more those in the NHS see, the more worried they become and the less they find to support. Only one in four of the public back him in wanting profit-making companies to be given free access to the NHS. Most GPs neither like nor want these changes, and three out of four doctors do not believe that they will improve services to patients.

Today, for the second week running, the Prime Minister is talking about the NHS changes. He is like a football club chairman stepping in to back a beleaguered manager because everyone else is losing faith in the manager's judgment. Mind you, the Prime Minister does not always help the Health Secretary, because his words do not ring true with people. Last week, the Prime Minister called the NHS "second rate". People know that it can be better, but they are proud of the NHS. They have seen big improvements during the last Labour decade, and they know that waiting lists are at their lowest ever and that patient satisfaction is at its highest ever. Those facts are backed up by international comparisons from the Commonwealth Fund, which said last year that Britain's NHS is one of the very best in the world, and second to none on best value for money.

Nick Boles (Grantham and Stamford) (Con): The Labour Government introduced foundation hospitals, private sector provision in the NHS, patient choice and payment by results—four things on which we are now building. They also introduced GP commissioning through pathfinders. Which elements of the Blair reforms to the health service is the right hon. Gentleman not repudiating today?

John Healey: It is true that we encouraged many of the GP commissioning models that the Health Secretary now champions, but that process was always within a planned and managed system, and it was never implemented at the expense of other clinicians or patients being in charge. We used private providers when they could add something to the NHS and help it to raise its game, and when they could add capacity so that we could clear waiting lists. Of course there is a role for them in the future, but that is not the question at the heart of the Bill. I will come back to the hon. Gentleman's question later, however. People saw big improvements in the NHS under Labour, but they now realise that many of those gains might be at risk as a result of the decisions that this Government are taking.

David Miliband (South Shields) (Lab): Does my right hon. Friend agree that the most significant change in the Bill was not mentioned by the Secretary of State? It is that the Bill introduces price competition into a market that, up to now, has allowed competition only on quality. The London School of Economics, citing academic evidence, states clearly that

"most international evidence suggests that, whereas hospital competition with fixed prices can improve quality, simultaneous price and quality competition can actually make things worse".

John Healey: Characteristically, my right hon. Friend is absolutely right. These changes to the NHS and the Bill—*[Interruption.]*

Mr Lansley: Will the right hon. Gentleman give way?

John Healey: I shall answer my right hon. Friend the Member for South Shields (David Miliband), then I will give way.

My right hon. Friend is absolutely right. The Government will talk about some changes, but not about others. The changes are like an iceberg, with big, substantial, ideological changes hidden from public sight.

Mr Lansley: The edifice of an argument from the right hon. Member for South Shields (David Miliband), which is repeated by others, is based on one fact: in December 2009, the operating framework said that commissioners in the NHS could set a maximum price and not just a fixed price. That was December 2009. The right hon. Gentleman and the shadow Health

[Mr Lansley]

Secretary were in the Government who put that measure into the operating framework. This Government did not put it in; the previous one did.

John Healey: The point made by my right hon. Friend the Member for South Shields is based on page 42 onwards of the Health Secretary's impact assessment of the Bill, which mentions a premium for private providers of £14 per £100. The Bill allows the system to pay a premium and a bung to private sector providers.

Mr Stephen Dorrell (Charnwood) (Con): Will the right hon. Gentleman now answer the question put to him by my right hon. Friend the Health Secretary? Does he agree or disagree with the maximum price tariff principle that was set out in December 2009 by the previous Labour Health Secretary?

John Healey: We operated an NHS with a set tariff, not a maximum tariff. In government, we operated an NHS in which price could not be the factor that drove decisions about what services patients received and by whom they were provided. My right hon. Friend the Member for South Shields is absolutely right to point out that the Bill will introduce price competition and the flexing of the price so that there is no longer a set tariff for treatments and patients but a maximum price that can be undercut by providers coming into the field. The Government will not talk about that.

The Prime Minister is not helping the Health Secretary, because the changes the Bill makes were not in his election manifesto, not on his election posters and not in his election speeches. I have the Conservative manifesto here. There is no mention of axing all limits on NHS hospitals treating private patients, so that NHS patients lose out; no talk or mention of undercutting on price, so that established NHS services are hit as new private companies cherry-pick easier patients and services; no mention of guaranteeing only selective hospital services, so that others can be closed and lost to local people without public consultation; and no mention of putting a new market regulator at the heart of the NHS with the principal job of promoting and enforcing competition. There is no mention in the Conservative manifesto of the biggest reorganisation of the NHS since it was set up more than 60 years ago. They did not tell people about their plans before the election and they promised not to introduce such measures in the coalition agreement after the election. There is no mandate from the election or the coalition agreement for this fundamental and far-reaching reorganisation. That is not a debating point, but a point of democratic principle.

Gordon Birtwistle (Burnley) (LD): I do not remember in the 2005 Labour party manifesto the "Meeting Patients' Needs" programme that closed the A and E unit and the children's ward in Burnley. Do not start getting on to us about what we are and are not closing. The right hon. Gentleman closed those things. Does he agree that what he did was a disgrace to the people of Burnley?

John Healey: May I urge the hon. Gentleman to look very closely at the Bill and beyond what he hears the Health Secretary say when he talks about it? I urge him instead to look at how local hospitals could be undercut by private health companies, and at how GPs could be forced to put out work to those companies. That will undermine local hospitals such as the one in Burnley and lead to hospital closures driven not by proper planning and the development of better services in the community, but by hospitals being driven to the point of bankruptcy and closure.

Dan Byles (North Warwickshire) (Con): The right hon. Gentleman does not seem to understand how the health service operated under his Labour Government. My constituents in Warwickshire have been suffering because NHS Warwickshire, under the rules we inherited from his Government, set up a fixed-price, below-tariff contract with one of the trusts in its area that has led to patients being drained from the George Eliot hospital trust in my area and the area of my hon. Friend the Member for Nuneaton (Mr Jones) to Warwick. It was Labour's rules that allowed it to undercut the hospital in my constituency.

John Healey: If the hon. Gentleman was worried about the past, he should be a good deal more worried about the future, and, a bit like the Health Secretary, he should spend a lot less time talking about the Labour Government and what we did to the health service and more time talking about the plans and big changes to come.

Geraint Davies: Does my right hon. Friend accept that the core difficulty with the Bill is that it is not about patient choice but about a movement towards general practitioner choice and GP consortia choice? They want to maximise not medical outcomes but profitability. That is what this is about, and the reason is the same as what was said about flexible pricing.

John Healey: My hon. Friend is right. For the first time in the NHS we are facing, first, the potential for profit at the point of commissioning and, secondly, commissioning—in other words, decisions about rationing as well as referral—being made at the individual patient level, not at the collective area level, and we are looking at them being made by bodies and individuals who are not publicly accountable, including to the House.

Mr Lammy: My right hon. Friend is right to press the case about private providers. Is he surprised that the Secretary of State, in response to my question earlier, did not confirm to the House that the wife of John Nash, the chairman of Care UK, funded his office in November 2009 to the tune of £21,000? Does he think that the Secretary of State should put that on the record?

John Healey: I am surprised that the Health Secretary was asked a direct question and did not answer. I would simply encourage my right hon. Friend to keep asking the questions that he feels are important for the future.

Mr Andy Slaughter (Hammersmith) (Lab): Mr Nash's wife also bankrolled my opponent at the last election—for all the good it did him. However, something else was not in the Tory party manifesto, and that was cuts in the health service. I have in my hand a letter from the chief executive of my primary care trust that simply states that

"healthcare in North West London will face a £1bn shortfall in funding by 2014/15, given these upward pressures."

Is that not something else that the Tory party did not tell the truth about, and something on which it is not following the Labour Government?

John Healey: My hon. Friend won his seat at the last election because he helped to expose the truth about the Conservative plans for housing—a truth that it denied but which has now come true. He is absolutely right. The truth about what is happening in the health service now is that patients are starting to see the signs of strain and services being cut, and that is not what they expected when they heard the Prime Minister, before the election and afterwards, promising to protect the NHS.

Andrew Bridgen (North West Leicestershire) (Con): I thank the right hon. Gentleman for giving way. In my first two weeks as an MP, I paid a visit to the local PCT in Leicester, and in a meeting with the chief executive I asked how the PCT would cope with the immediate 35% cuts in management imposed by the coalition Government. The answer truly shocked me: I was told, "It will be no problem at all, because we have already increased our management by 50% in the past year." Will the right hon. Gentleman accept that under the previous Government's watch, the PCTs became the bloated bureaucracies that now need reforming?

John Healey: The problem for PCTs, and the managers and staff who work in them, is that they are being asked to do several things at the same time: to make unprecedented efficiencies at a time when the NHS is being put through its tightest financial squeeze in history; to axe its own jobs; and to guide the reorganisation and ensure that it can take place. That is a tough challenge for anyone. I am sure that the hon. Gentleman will keep on his local PCT's case.

Andrew George: I am grateful to the shadow Secretary of State for giving way. I would accept his criticisms more openly—I think—were he prepared to acknowledge that the previous Labour Government set up independent treatment centres and rigged the market to hand over 15% of all elective operations in an area such as mine to an independent company that they more or less set up themselves, and which undermined the local acute trust and services with changes that patients had not asked for. That was forced on the PCT and not something for which it asked. It was a rigged market. Would he like to apologise to the House for the practices of the previous Labour Government?

John Healey: I am more interested in what we will be facing in future. I am more interested in the claim by the Health Secretary that there will not be, as he describes it, a rigged market in future, but a level playing field for all providers. However, my hon. Friend—*[Interruption.]* Well, we will see. The hon. Gentleman is a member of the Select Committee on Health, and he follows such matters closely. I urge him to read page 42 onwards of the impact assessment, because there he will see the preparations for being able to pay for the sort of thing that he criticises in the health service.

As the hon. Gentleman gives me this opportunity, let me say to him and his Lib Dem colleagues that what we are facing is clearly Conservative health policy, not coalition health policy, and certainly not Lib Dem health policy. The main evidence of any influence of Lib Dem ideas on health policy in the coalition agreement was the commitment to

> "ensure that there is a stronger voice for patients locally through directly elected individuals on the boards of their local primary care trust".

The Bill abolishes PCTs. The Lib Dem policy priority before the election was to ensure that local people had more control over their health services. The Bill places sweeping powers in the hands of a new national quango—the national commissioning board—and a new national economic regulator, which is charged with enforcing competition, to open up all parts of the NHS to private health companies. The Lib Dems' principal concern was to strengthen local and public accountability of health services, but the Bill seriously restricts openness, scrutiny and accountability to both the public and Parliament. It will lead to an NHS in which "commercial in confidence" is stamped on many of the most important decisions that are taken. I therefore say to the hon. Gentleman and his Lib Dem colleagues: this is not your policy, but it is being done in your name. The public will hold you—

Mr Deputy Speaker (Mr Nigel Evans): Order. I know that this debate is attracting a lot of emotion and generating a lot of heat, but will Members please try to speak through the Chair? I have been accused by both sides of doing many things in this debate, and I have not done any of them.

John Healey: I accept that correction, Mr Deputy Speaker. Let me put it in these terms. The policy is not Liberal Democrat policy, but it is being done in their name, and the public will hold the Liberal Democrats responsible if they allow the Tories to do this to our NHS.

Jeremy Corbyn (Islington North) (Lab): Is my right hon. Friend aware that, in the rush to establish a GP commissioning system, PCTs are being merged, and that large numbers of highly skilled staff are disappearing quickly, as is the ability of PCTs to administer anything, and all this before the Bill has even received a Second Reading? Does he not think that the Secretary of State is culpable in the rapid disintegration and disorganisation of local NHS facilities all over the country?

John Healey: That is one of the things that worries experts and those in the health service the most. It is also one of the things that the right hon. Member for Charnwood (Mr Dorrell) and his Health Committee were most concerned about. *[Interruption.]* The right hon. Gentleman is nodding. "Disruptive" was one term that the Committee used for the changes.

Mr Dennis Skinner (Bolsover) (Lab): Why on earth should the health service be changed? We had 13 years. We dragged the health service from the depths of degradation and hoisted it to the pinnacles of achievement. There was £33 billion in 1997; we increased that to £110 billion. All those miners in my constituency and that of my right hon. Friend who wanted those knees or hips replaced—they have all been done, after waiting not for five years, but for a few months. That is what I

[Mr Dennis Skinner]

call achievement, and that is what the people in Bolsover and elsewhere know. That is why the health service was safe in our hands and why, they assume, this one on the Government Front Bench is now going to privatise it.

John Healey: Well, my hon. Friend is right in this respect: people will come to see clearly that they cannot trust the Tories with the NHS; they will come to see clearly what these changes really mean for their services; and they will come to see clearly what the future of the NHS holds.

John Pugh (Southport) (LD): I cannot follow the previous contribution, but the right hon. Gentleman has mentioned democratic accountability, so will he accept that in 10 years of Labour government, nothing was done about democratic accountability in the NHS? We simply had rule by quangos.

John Healey: No, I do not accept that, but I will tell the hon. Gentleman that the measures in this Bill will undermine many of his principal concerns and policy priorities about opening up the NHS to the public and to Parliament. I hope that he will take a close look at what the Health Secretary really plans.

Alex Cunningham (Stockton North) (Lab): I hope that my right hon. Friend will agree that the NHS is supposed to be about people and their health, so does he also agree that putting different parts of the health service in competition with one another will lead to fragmented and disjointed pathways of care and undermine innovation and the sharing of best practice, as well as increasing administrative and other costs with public funding being wasted on transaction costs?

John Healey: My hon. Friend is right—and the chief executive of the Patients Association, Katherine Murphy has said just that. Many patient groups are making the same arguments and issuing the same warnings.

My serious concern is that this Government have told only half the story from the start. The Health Secretary and the Prime Minister are happy to talk about GP commissioning and happy to talk about cutting management—the organisational changes—but they downplay or deny the deep ideological changes at the heart of these plans. The Health Secretary mentioned the new economic regulator, Monitor, in just one line in a speech lasting more than 40 minutes. The Prime Minister said last week in his speech on public services that these reforms

"are not about theory or ideology".

The Prime Minister writes in *The Times* today, just as the Health Secretary did last week, both of them producing 700 words about their health plans, yet they made not a single mention of competition.

We will explain and expose the truth throughout this debate and the Bill's passage through Parliament because these changes will break up the NHS; they will open up all areas of the NHS to price-cutting competition from private health companies; and they will take away from all parts of the NHS the requirement for proper openness, scrutiny and accountability to the public and to Parliament. These Government changes are driving free market political ideology into the heart of the NHS, and that is why doctors are now saying:

"As it stands, the UK Government's new Bill spells the end of the NHS."

Mr David Anderson (Blaydon) (Lab) *rose—*

Nick de Bois (Enfield North) (Con) *rose—*

John Healey: The public are being told that the reorganisation is "patient centred", but patients are being sold a false promise on the NHS. The changes in the Bill come in only in 2013, but patients are already seeing the consequences of the Government's handling of the health service. The Government have scrapped Labour's waiting time targets, which were, of course, the patients' guarantee of being seen and treated promptly. They are breaking the Prime Minister's promise of a real increase in NHS funding, so Scotland is being short-changed next year by £70 million and Wales is being short-changed next year by £40 million. England, if we take out the double counting of cash to be spent on social care rather than on NHS services, faces a shortfall next year of £1.2 billion on the Prime Minister's promise.

With this Bill, the Government are now breaking their promise to stop top-down internal reorganisations and they are putting extra unnecessary pressure on the NHS. Patients are starting to see waiting times rise; they are starting to see discharges from hospital delayed; they are starting to see wards mothballed and staff posts cut. That is not what people expected when the Prime Minister promised to protect the NHS. The Prime Minister's most personal pledge to the public is becoming his biggest broken promise.

Nick de Bois: Will the right hon. Gentleman try to understand—*[Interruption.]* Perhaps he will. Members suggest that this is ideological. I do not see how it is ideological not to repeat the gross error of 2008-09 when, under the right hon. Gentleman's watch, managers were recruited at five times the rate of nurses working on the front line—which is not ideological either, and does not serve patients.

John Healey: This is ideological. It is about driving politics into the heart of the NHS, and in some respects breaking what has been a 60-year consensus. Parties on all sides have tried to make decisions about the best interests of patients and better services, and not about their own political ideologies. That has changed today, with this Bill.

Several hon. Members *rose—*

John Healey: I want to make a bit of progress before I give way again.

The public are being told that this reorganisation is patient-centred, but most patients' GPs will not, in practice, be doing what the Government claim they will be doing. GPs spend an average of only about eight minutes with each patient. If they continue as family doctors, the commissioning will not be done by them; it will be done in their name by the managers in the primary care trust who carry out that function now, or

by private health companies that are already hard-selling their services to GP consortia. Those consortia are being sold a false promise as well. Because expanded open-ended choice of treatment means funding unused capacity in the system, it is highly unlikely to happen at a time when NHS finances are under pressure.

Despite the boast about putting patients at the heart of everything that the NHS does, there is no place for patients on the bodies that will make the most important decisions on the NHS. There is no place for them on GP consortia, no place for them on the national commissioning board, and no place for them on the regulator, Monitor.

Mr Baron: The right hon. Gentleman talks of broken promises. What does he say to cancer patients who regularly see our cancer survival rates in the lower divisions of the international cancer league, despite 13 years of a Labour Government?

John Healey: The hon. Gentleman has already heard some of my hon. Friends mention the analysis of Dr John Appleby, published in the *British Medical Journal* online last week. He took to task those who had made the sweeping assertion that somehow Britain's health service lags behind those of the rest of Europe. It is an argument that the Prime Minister advances. It is an argument for change, he says, because we are still a long way from European standards of care.

Let me read something to the House. We have been told that

"if you have heart surgery in England, you now have a greater chance of survival than almost any other European country – over the last five years, death rates have halved and are now 25 per cent lower than the European average."

Those are not my words, or even those of Dr John Appleby. They are the words of the Health Secretary, published on ConservativeHome last week.

The Prime Minister argues that this is somehow an evolution and not a revolution. The Bill, however, is more than three times as long as the legislation that set up the NHS in 1948. The NHS chief executive told the Select Committee on Health:

"The scale of change is enormous—beyond anything that anybody from the public or private sector has witnessed".

The Health Secretary argues that the Bill is somehow an extension of Labour policies. That is wrong, and it disguises again the fundamental changes to the NHS in the Government's plan. Make no mistake, Mr Deputy Speaker: this is a revolution, not an evolution.

Jesse Norman (Hereford and South Herefordshire) (Con): I note that the right hon. Gentleman failed to answer the question about the rate of increase in the number of managers. When I last checked, the NHS had 1.3 million employees, of whom almost exactly half were administrators and half were on the front line. Is he really willing to defend such an extraordinary level of overstaffing in management?

John Healey: Oh dear, the hon. Gentleman really has to get a better briefing from his Whips than that.

Clive Efford: Will my right hon. Friend confirm that in order to shoehorn private enterprise into the NHS, the regulations are being written to add a 14% premium into the tariff for private sector companies that will be tendering for work?

John Healey: My hon. Friend may be right. I have not seen the regulations, but that is certainly in the impact assessment, so he is on to an important point.

Government Members and the Health Secretary have spent a long time talking about Labour's plans, policies and record, but the debate at the heart of this Bill is not about whether competition, choice or the private sector has a part to play in the NHS—they have and they do. The debate at the heart of this Bill is about whether full-blown competition, based on price and ruled by competition law, is the right basis for our NHS. That is why Labour Members oppose this Bill. We want the NHS run on the basis of what is best for patients, not what is best for the market. We want the NHS to be driven by the ethos of public service, not by the economics of forced competition. We will defend to the end a health service that is there for all, fair for all and free to all who need it when they need it.

If the stated aims for the reform were all the Government wanted—we have heard the Health Secretary say that he wants a greater role for doctors in commissioning, more involvement of patients, less bureaucracy and greater priority put on to improving health outcomes—he should do what the GPs say: turn the primary care trust boards over to doctors and patients, so that they can run this and do the job. But there is no correlation between the aims that the Health Secretary sets out and the actions he is taking. There is no connection between his aims and his actions. He is pursuing his actions because his aims are not sufficient. His actions would not achieve the full-scale switch to forced market competition, which is the true purpose of the changes.

Meanwhile, the biggest challenges and changes for the NHS will be made harder, not easier, by the reorganisation. Such challenges include making £20 billion of efficiency savings and improving patient services; ensuring better integration of social care and health care, of primary care and hospital care, and of public health and community health; and providing more services in closer reach of patients in the community rather than in hospital. But the Government will not listen to the warnings from the NHS experts, the NHS professional bodies, patient groups or even the Select Committee on Health.

Mr Anderson: In a disparaging comment earlier, the Secretary of State said that the voices of concern were the voices of the trade unions. They are led by people who were health professionals and they represent 1.3 million professionals. Surely somebody in this place should listen to what they say and not to Government Members, who have a biased reason for doing this.

John Healey: My hon. Friend is right. The more that NHS staff see of the changes and the consequences of this Government's handling of the NHS, the more concerned they are about the changes and the more they are starting to see the NHS go backwards. But the Government will not listen to these warnings that are coming from all sides. They are in denial about the

[John Healey]

risks: the risk that patients will see services get worse, not better; the risk that up to £3 billion will be wasted on internal reorganisation; the risk that innovation and improvements in care that come from greater collaboration will be blocked by the Office of Fair Trading, competition courts and the new market regulator; and the risk that the Bill will create the monster of a full-blown market in health care which GPs will not control and nor will Ministers or Parliament.

If patients have been sold a false prospectus, that is true of GPs too. GPs are being told that they will call the shots on deciding who provides care for their patients, but they are being set up by the Government. They are likely to find their hands tied by Monitor and the Office of Fair Trading and by the courts enforcing competition law. They are likely to find their decisions challenged by private companies if they do not accept "any willing provider", especially one that offers to undercut on price. The chair of the Royal College of General Practitioners recently issued a warning to her colleagues. She said:

> "I understood these reforms were about putting GPs at the centre of planning healthcare for their patients, not about making sweeping cuts, which will include shutting hospitals, making enormous redundancies, closing services".

Because the reorganisation will force doctors to make rationing decisions as well as referral decisions for their patients, they will make treatment decisions with one eye on their patient and the other on their budget and their consortium's bottom line.

The Government say they are devolving power to front-line services, putting clinicians in control, making the NHS more accountable and improving the integration and quality of services, but in the Bill they are making the forces of competition and centralisation far stronger than those of devolution, democratic accountability or the development of quality in patient services. We will explain and expose the gap between what Ministers are saying and what they are doing in every debate at every stage of this legislation.

Patients and staff are already seeing signs of strain in the NHS. They are starting to ask, "What on earth are the Government doing with the NHS? Why don't they listen to the warnings? Why is the Prime Minister breaking the very personal promise he made to protect the NHS?" The Bill puts competition first and patients second. That is why we will oppose the Bill tonight and expose this truth in the months ahead. These are the wrong reforms for the wrong reasons at the wrong time.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Because of the popularity of this debate, a six-minute limit on speeches has been introduced, with the usual injury time on two interventions. It is up to you whether you take the full six minutes and whether you take interventions, but, clearly, the more interventions there are and the longer you speak, the fewer people will get in.

5.32 pm

Mr Stephen Dorrell (Charnwood) (Con): I rise to support the Bill. The shadow Secretary of State started by saying that my right hon. Friend the Secretary of State struggled to explain his reasons for introducing the Bill, but I think that the shadow Secretary of State struggled to explain why he opposes it. He struggled from the moment that my hon. Friend the Member for Grantham and Stamford (Nick Boles) intervened to draw his attention to the fact that the Bill represents an evolution of policy that has been consistently developed by every Secretary of State since 1990, with a single exception in the form of the right hon. Member for Holborn and St Pancras (Frank Dobson), who sits on the Labour Back Benches. The question that the shadow Secretary of State has to answer is this.

John Healey *rose—*

Mr Dorrell: Let me pose the question and I shall be delighted to give way. Which of the key themes does the right hon. Gentleman oppose? Is it the practice-based commissioning or the "any willing provider" model? Is it the introduction of private sector expertise into commissioning, which was first articulated in the world class commissioning programme, or is it the principle of the maximum tariff? Let me help him by quoting from the operating framework of 2009, to which my right hon. Friend the Secretary of State referred. It states:

> "After 2010/11, we shall move to a position where national tariffs represent the maximum price payable to a commissioner, as opposed to the mandated price for a particular activity."

With which of those four key policies does the right hon. Gentleman disagree?

John Healey: The right hon. Gentleman started by saying that the policies are an evolution. If that is the case, why did he say:

> "I thought we were looking to develop existing institutions rather than starting again, and that appeared to be confirmed in the coalition agreement."

Mr Dorrell *indicated assent.*

John Healey: The right hon. Gentleman, who is nodding, went on:

> "Then in July that approach was changed. That came as a surprise."

Mr Dorrell: Indeed it did. I offered the right hon. Gentleman four consistent themes of policy. He accurately quoted my comments about a specific element of bureaucracy. One of the questions that the Select Committee addressed was why, since all these broad themes are so broadly supported, we went down the road of replacing the PCTs with the consortia. That is a question that the Select Committee said in its report had not been adequately explained, but that is a relatively minor question of bureaucratic presentation when compared with the broad themes of policy that were articulated in the debate by my hon. Friend the Member for Grantham and Stamford. Which of these key policies does Labour now wish to dissent from?

Hugh Bayley *rose—*

Mr Dorrell: I give way to the hon. Gentleman, an expert on health policy from the Back Benches, who may able to answer the question that the shadow Secretary of State wishes to avoid.

Hugh Bayley: I wonder whether the Select Committee agrees that private contractors, where they are engaged, should be required to publish the same information about cost, quality and outcomes as NHS providers, to ensure a level playing field and real, true comparison.

Mr Dorrell: I have been here long enough not to presume to speak on behalf of a Select Committee on a question that the Select Committee has not addressed, but I think there would be broad support across the House for the principle that where the private sector provides a service to a public sector commissioner, the private sector provider should be accountable to that commissioner on precisely the same terms as the public sector provider. As my hon. Friend the Member for St Ives (Andrew George) mentioned in his intervention on the shadow Health Secretary, one of the problems about the independent sector treatment centre programme was exactly the point that the hon. Gentleman makes—the accountability expected of a private sector provider was different from the accountability expected of a public sector provider.

Therefore, I agree with the hon. Gentleman and hope that he can persuade his right hon. and hon. Friends on the Front Bench to endorse the principle of common accountability for public and private sector providers providing a service to a public sector commissioner. I see my right hon. and hon. Friends on the Government Front Bench endorsing the principle. I hope that I am not misrepresenting the way that they are reacting to the hon. Gentleman's question.

This is a consistent set of themes. Why is it consistent? I want to move the debate on. The House of Commons loves debating structures in the national health service. The inference from what I have said so far might be that that means it is all business as usual—that what has gone on, with the exception of the period when the right hon. Member for Holborn and St Pancras was in charge, is a seamless development of policy since 1990.

However, the truth is that during the lifetime of this Parliament the national health service faces a genuinely unprecedented challenge, first articulated not by my right hon. Friend the Secretary of State in the present Government, but by the chief executive of the health service before the general election in May 2009, when he drew attention to the fact that demand for health care should be expected to continue to rise at roughly 4% per annum, as it has done throughout the recent history of the national health service. However, because of the budget deficit, we will not see the health budget continue to rise to absorb that rise in demand, in the way it has over the past decade.

Therefore, during the lifetime of this Parliament, we will have to see, in the national health service, a 4% efficiency gain four years running—something that not merely our health care system, but no other health care system in the world, has ever delivered. The Select Committee has referred to that as the Nicholson challenge, reflecting the fact that it was first articulated by the chief executive and endorsed by the previous Government. Again, this is a case of a shared agenda across the House of Commons.

Given the Budget deficit, the only way we can continue to meet the demand for high-quality health care, which we all want to see, is by delivering an unprecedented efficiency gain in the NHS for four years running. That is why I support the Bill. I support it because to my mind it is inconceivable that we can deliver such an efficiency gain without delivering more effectively than we have done yet on the ideas, which have been endorsed over the past 20 years, about greater clinical engagement in NHS commissioning, which I have been talking about. Commissioning cannot be successful if it is something that is done to doctors by managers; it must engage the whole clinical community. We must address the democratic deficit, because we cannot bring change on the scale that we need to deliver the efficiency gain without engaging local communities.

Finally, the NHS must also be a national service that is accountable through the commissioning consortia, the commissioning board and the Secretary of State to this House, because it is ultimately the taxpayers who pay for it. Those are the principles that were set out by the Health Committee, and it is those that we will seek to review as the Bill goes through Parliament.

5.41 pm

Frank Dobson (Holborn and St Pancras) (Lab): I make no apologies for the policies that were pursued while I was Secretary of State for Health, because I set about implementing every item in Labour's election manifesto. I know that implementing promises in election manifestos has gone out of fashion on the Government Benches, but it has not gone out of fashion with me. Before I became Health Secretary, while I was Health Secretary and since, most doctors, nurses, midwives and others in the health service have said above all, "For God's sake, leave us alone, stop diverting our attention into reorganisation and let us get on with the job of looking after patients and raising standards of treatment and care." Presumably, that was why the Conservative manifesto and the coalition programme both stated:

"We will stop the top-down reorganisations of the NHS".

They claim that their proposed reforms are not top-down, but I cannot think of anything more top-down than an Act of Parliament set out in 353 pages and 61,344 words, and yet it is still a broken promise.

The NHS, as we all know, is doing better than ever before: waiting lists have come down dramatically; waiting times have been massively reduced; and survival rates are dramatically improving. Most people, in most places, and most of the time, are getting a very good deal from the health service, which is why it is more popular than ever before.

Mr Graham Stuart (Beverley and Holderness) (Con): Will the right hon. Gentleman give way?

Frank Dobson: No, I do not have time.

Those improvements have come about not as a result of any structural changes, but because the Labour Government put into the NHS more money than ever before, built more new hospitals than ever before, put in more new equipment and, above all, recruited record numbers of doctors and nurses. We also put more emphasis on standards and on trying to ensure that we spread best practice right across the health service.

I accept that we need more clinician involvement in decision making, but we do not need to go to GP commissioning to bring that about. All we need do is get more of them on primary care trusts with more

[Frank Dobson]

influence there. Why is it just confined to GPs? There is no reference to greater involvement of hospital specialists and there is nothing in the 61,000-odd words about giving hospital doctors a bigger say, and they have some expertise in these matters. Many GPs, as we know, do not support the proposals, and many of them want to get on with just being doctors.

One great deception that is being promoted is saying to patients, "You and your GP will decide where you will get treated." That is simply not true. Unless the consortium of which the GP is a compulsory member has a contract with a particular hospital, the patient will not be able to go there from their GP.

The NHS is essentially a co-operative organisation in principle and in practice, and now it will be forced to compete: every part of the health service competing with the other parts and the private sector on price. It is rather remarkable, considering all the Eurosceptics on the Government Benches, that the Government are going to force our NHS to comply with European competition rules set out in the Lisbon treaty—the Lisbon treaty that the Tories voted against. Who is most likely to benefit from those rules? The answer is American health corporations, almost all of which have been indicted in the United States for defrauding US taxpayers, doctors, patients and, sometimes, all three. I asked the Secretary of State whether he would rule out any of those outfits obtaining contracts, and I am afraid his answer was, "I can't say."

The next question is, how will we know what is going on? How will we and local TV, radio and newspapers know what is being decided? In the Bill, there is no serious obligation for hardly any of the decision-making bodies to hold their meetings in public; there is no obligation on declaration of interests; and there is no obligation on consultation. If anyone says, "Well, freedom of information will cope," we know what the answer will be, "Commercial confidentiality; you can't have it." If we are to have a competitive system, almost everything will be commercial and, therefore, almost everything will be confidential.

These proposals will divert people in the NHS from their job of looking after people. The Government are privatising the NHS, they are fragmenting the NHS, they will cost us a fortune and do little or no good for anybody.

5.47 pm

Gordon Birtwistle (Burnley) (LD): I shall support the Bill, because it will mean an end to the disruption and devastation of local hospital services owing to overpaid, faceless bureaucrats in palatial offices many miles from people's local hospitals deciding that a particular service is no longer needed or is better off elsewhere. The Bill's local democratic legitimacy policy strives to ensure that decisions on serious hospital reconfigurations never again ride roughshod over the wishes of the local community.

Rosie Cooper (West Lancashire) (Lab): When I asked the Secretary of State who would make the decision if the consortium and the health and wellbeing board disagreed on the reconfiguration of hospitals, he said the reconfiguration panel as it exists today—no difference.

Gordon Birtwistle: I am pleased that the reconfiguration board is now studying a decision that the previous Government made to close my local hospital's children's ward. The Secretary of State is due to rule on that shortly.

A prime example of the authoritarian nature of primary care trusts can be seen in my constituency. Without proper consultation, we have seen our accident and emergency department closed and our children's ward transferred to Blackburn. My constituency is seriously deprived, and the decisions made by managers in Manchester have had a disastrous effect on the health and well-being of thousands of my constituents, many being seriously ill children. The proposals before us will ensure that, for the first time, commissioners and all providers of NHS-funded services have to consult the local authority on the proposed substantial reconfiguration of designated services. In my eyes, that can only be a good thing.

I want to bring to the House's notice a young man called Logan Cockroft, who lives in my constituency. He has cerebral palsy, and he cannot speak or walk. The only thing that Logan can do is smile. His parents live near Burnley general hospital; they moved there because of Logan's illness. He made many visits to the hospital because of his illness, the nurses knew him, and he was happy to go there. Logan seemed intent on smothering himself with a pillow, so the nurses at Burnley hospital kept a close eye on him and put him close to the nurses' station. The family were happy with the treatment that Logan received. Unfortunately, under their meeting patient needs programmes, the previous Government closed down our children's ward. Logan now has to go to Blackburn. The nurses on the children's ward in Blackburn do not know Logan. They do not know about Logan's problems.

Helen Jones (Warrington North) (Lab): The Bill allows private providers to undercut the NHS. What would the hon. Gentleman's reaction be if an NHS service in his constituency disappeared because it had been undercut by a private provider?

Gordon Birtwistle: The service was removed by the hon. Lady's Government, so I do not need to worry too much about private services.

As I said, Logan has those problems. When he is in Blackburn, his parents are extremely concerned about the care that he is receiving—not because the care is poor, but because staff there are seriously stretched. An attempt has been made to put the children's ward in Burnley into the children's ward in Blackburn, which was already overloaded, and the staff cannot manage. That cannot be right and it would not have happened if the PCT had contacted the people of Burnley, who have signed a 25,000-name petition against the move. Almost every GP is against the move, and the people of Burnley are unanimously against it. The move would not have happened under the new system that we are setting up.

The bureaucrats in Manchester tell me that the reconfiguration is not about money but about what is best for Burnley. I tell them that their unfounded interference will result in deaths. Nobody in my constituency wanted the A and E or children's wards to close; they were a valued service. The Bill will strengthen democratic involvement by ensuring that the full council decides on

whether to refer proposals to the NHS commissioning board or the Secretary of State. The people of Burnley had no say at all in what happened to our children's ward. The Bill will strengthen the important function of scrutiny and recognise the new enhanced leadership of local authorities in health and social care.

It is about time—*[Interruption.]* I have been here only six months; if Labour Members cannot win, they start arguing, don't they? But they never stand up and say anything fruitful.

It is about time that measures were put in place to strengthen the role of local authorities and the involvement of democratically elected representatives. That is how there will be representation. We will have somebody to listen to us who has been democratically elected. I have met no one in Burnley who found anybody in the primary care trust or the palatial offices of the strategic health authority in Manchester to speak to about the closure of the children's ward. Now the people's voices will be heard.

I am particularly pleased that the Government recognise that district councils have an important role to play in shaping our local hospitals. I hope that the proposed health and wellbeing boards take into account the recommendations of local hospitals and listen to patients. I trust GPs in Burnley to make the right call about our hospital. I only wish that these measures had been in place before the previous Administration reduced services at Burnley general hospital to the point of non-existence.

I welcome these radical changes. Local democratic legitimacy in decision making about our hospitals is desperately needed. It is time that we gave power back to the people.

5.54 pm

Mr Kevin Barron (Rother Valley) (Lab): I shall move on quickly. We had seven hours and 45 minutes to debate the Bill, but the first hour and 15 minutes was taken up by Front Benchers. Given that the Government have not found time to debate the White Paper that they published in July, we should probably have had two days' debate on a Bill as important as this. As the shadow Secretary of State said, it is far larger than the 1948 Bill that established the national health service.

I find it difficult to find any justification for such a major reorganisation of our NHS. We have had a decade of major investment and we have seen improving services and major satisfaction ratings given by patients. In November 2009, the then Leader of the Opposition, now Prime Minister, said that

"with the Conservatives there will be no more of the tiresome, meddlesome, top-down re-structures that have dominated the last decade of the NHS."

He was supported by the now Secretary of State for Health, who said as shadow Secretary of State in July 2007 that the NHS needed no more top-down reorganisation. Indeed, even after the general election, the coalition agreement stated:

"We will stop the top-down reorganisations of the NHS that have got in the way of patient care."

It went on to spell out the continuing role of PCTs in some detail, pledging:

"We will ensure that there is a stronger voice for patients locally through directly elected individuals on the boards of their local primary care trust...The local PCT will act as a champion for patients and commission those residual services that are best undertaken at a wider level".

A few months later, we have this potential chaos thrown on to the national health service. Once again, people are looking at the NHS and trying to change its culture by reorganising it.

We have had 30 years of Governments of different political persuasions trying to change the culture of the national health service by reorganisation. Every time, there have been years-long delays in implementation, performance has been affected in a negative way and there have been costs—particularly on this occasion, when the NHS is being instructed to make efficiency savings.

I agree with the report on commissioning just published by the Health Committee. I am not too sure whether the Chair agrees with it himself; the right hon. Member for Charnwood (Mr Dorrell) spoke earlier. The report states:

"The Coalition Programme anticipated an evolution of existing institutions; the White Paper announced significant institutional upheaval. The Committee does not believe that this change of policy has yet been sufficiently explained given the costs and uncertainties generated by the process."

The last 30 years should tell the House and the Government exactly that.

Dan Byles: Will the right hon. Gentleman not concede that the Bill does not represent any reorganisation of NHS bureaucracy, of which there were many under the previous Government? It represents the abolition of a whole tier of unnecessary bureaucracy.

Mr Barron: That is an interesting comment, but the Bill does not represent that. In my borough, the PCT—as was; it still is, although it is now Rotherham NHS—will become the GP commissioning consortium. Let us not get away from that. The idea that getting rid of the strategic health authorities or anything else is going to save massive amounts of money is palpable nonsense.

Does anybody think that top-down meddling is going to end because of this reorganisation? If the local GP consortium does not offer provision as it should, the national commissioning board will tell it what to do. If that is not top-down, I do not know what is. Those will be the people responsible for whether local residents, particularly those who need specialised commissioning, are going to get the services or not. The idea that those people are going to be responsible for NHS dentistry in my constituency is nonsense. There has now been a move away from midwifery, and that was going to be commissioned nationally. The changes are nonsense; they have been ill thought out.

Mr Graham Stuart *rose*—

Mr Barron: I give way for the last time.

Mr Stuart: The Chair of the Health Committee also set out the central challenge, which was recognised by the previous Government: to make major savings, year on year, for the next four years, at a time when budgets will not be able to increase—or at least not by much. How does the right hon. Gentleman think that that issue could best be addressed? Suggesting, as he did at the beginning, that we could just carry on as we were would not be sustainable.

Mr Barron: I am not saying that savings should not be made. Indeed, the Select Committee in the last Parliament took evidence from the chief executive of the NHS on that particular point. The case that I make is about the type of reorganisation. Not only has nobody in the public sector ever been able to get 4% a year in savings, but nobody in the private sector has, in the time scale being predicted now. *[Interruption.]* The Secretary of State says that that is rubbish—it is not rubbish at all. He should go and talk to his advisers about what happens in the real world, as opposed to the world that has appeared since July last year.

I would like to say something in defence of managers. This Government have been bashing managers in the NHS every week they have been in office, and did so for many months before they got there. How do they think we got waiting lists for things such as new knee and hip joints down from years to months, and even weeks, in areas such as mine? I will tell them. It was not done by taking the surgeons out of theatres to do the administration, but by putting people in to do the administration so that the surgeons could spend more time in theatres seeing more patients. That is the real truth. The management -bashing that has been taking place of people inside the NHS might be popular on the ground, but let me say this to the Government: if they take those managers out and we go back to the waiting lists and waiting times of five or six years ago, they will see where popularity lies.

Andrew George: Will the right hon. Gentleman give way?

Mr Barron: No, I will not; I have given way twice. The hon. Gentleman can make his own speech.

The King's Fund, which the Secretary of State mentioned, supports some parts of the Bill. Indeed, I support a lot of its aims, but I do not support the reorganisation and upheaval that it will create inside the NHS. That is why I will vote against it. The King's Fund says:

> "The Bill abolishes the Health Protection Agency, places a duty on the Secretary of State to promote public health, and transfers responsibility for public health to local authorities."

I agree with that. However, the Bill does not give me any confidence that GP consortia will have responsibility for the health of the population they cover.

Anybody looking at the history of public health in this country should recognise that we cannot run it on the basis of just handing it over to local government. The issues are far wider than that. The Secretary of State shakes his head, but people should look at the answers to questions that I got a week or so ago about what has happened to smoking cessation since this Government took over. Rates of smoking cessation have plummeted because of the advertising and promotion that is permitted. About 50% of health inequalities are created by smoking. The Government have taken their foot off the accelerator on the main thing that we should be doing to address public health inequalities, and they will suffer at the polls because of it.

6.2 pm

Mark Simmonds (Boston and Skegness) (Con): It is always a pleasure to follow the right hon. Member for Rother Valley (Mr Barron). Although I did not agree with much of his speech, I strongly agree with his last point about the importance of keeping the foot on the accelerator to try to narrow health inequalities. That is right at the top of the priorities of Health Ministers. This is a very important and complex Bill. We all want to see high-quality care and value for the taxpayer in the provision of health care. I think it is fair to say that there has never been a better-informed, more knowledgeable and better-prepared incoming Secretary of State than we have at the moment.

The opening speeches by my right hon. Friend and by the shadow Secretary of State stood in stark contrast to one another. I feel rather sorry for the shadow Secretary of State. He is clearly an intelligent man, but he is cornered by the supplicatory role that his leader is playing to the trade union movement. I am sure that the shadow Secretary of State agrees with the Government's introduction of independent treatment centres. I am sure that he also agrees with the previous Government's introduction of the independent sector into provision and into commissioning, "any willing provider", practice-based commissioning, payment by results—although it was payment by activity then—and national tariff ceilings within quality standard frameworks. However, he could not say so because he is cornered.

Listening to some Labour Members, one would think that there were no improvements to be made—that the national health service was a utopian structure prior to the last general election. Let me point to 10 things that I sketched out this morning: too much money spent on administration and bureaucracy and not enough on front-line patient care; too little patient-centric information to inform decision making; too little innovation; too little clinical input into decision making; too much inertia and hostility to reform, as we have seen today; too much process-driven target culture distorting clinical decision making; falling productivity; poor outcomes across a range of clinical indicators; too often, weak commissioning of servicing; and widening health inequalities in the past 10 years, in addition to the scandals that occurred in Staffordshire and Kent. That is hardly a situation that makes the status quo desirable.

Mr Lee Scott (Ilford North) (Con): At the risk of being accused of management-bashing, may I point out that somebody in my own trust who worked up a deficit in excess of £100 million was rewarded with a large pay-off when he left the NHS? Can that possibly be right?

Mark Simmonds: My hon. Friend is absolutely right. I remember him fighting tirelessly and vociferously to try to prevent those in the health service and the then Health Secretary from allowing that to happen.

Another thing that Labour Members have to understand is that we must move the NHS towards being a service that is centred on the patient, not one where the patient revolves around the system. To enable that to happen, we must measure and improve outcomes on a continuing basis, and we must do it with patient-centric information that will enhance patient choice, not only about the choice of the provider and the location of their treatment, but about the treatment that they receive for their ailment. This Bill deals with all the failings that were present when the Labour party was in charge.

There are three or four areas where the detail still needs to be discussed, and I want to make some suggestions. There must be an opportunity for integrated care and

for improved patient pathways. I would very much like acute clinicians, pharmacists and others who deliver patient care to be involved in GP consortia and the commissioning process. Some of the more forward-thinking consortia are already involving acute clinicians, and this needs to be implemented across the board. We need to find a non-prescriptive architecture to enable consortia to work together to collaborate where appropriate, not only in the all-important area of cancer, as appropriately highlighted by my hon. Friend the Member for Basildon and Billericay (Mr Baron), but in acute stroke services. This has been done successfully, and it must continue to be done.

Performance management is absolutely critical. The Bill seems to make no specific mention of out-of-hours care. My right hon. Friend the Secretary of State will remember only too clearly the terrible case of Mr Gray, who was killed by Dr Ubani, the out-of-hours doctor who flew in from Germany and prescribed him the wrong dose of a drug. That was a performance management failure. The SHA failed to monitor the PCT, which was failing to monitor the provider. We must ensure that GPs are involved in driving improvements in out-of-hours care as well as in-hours care.

We need to look at GPs' contracts. It is rather perplexing that a PMS—personal medical services—contract could be held by a national commissioning board. Who will be in charge of revalidation, training and performance lists? We must move GPs' quality and outcomes framework towards one that is outcome-based rather than process-based.

Mr Graham Stuart: Like my hon. Friend, I will support the Bill. Does he hope, as I do, that the Government will look very carefully at any conflicts of interest? As we rightly give the power down to clinicians, we need to ensure that they always take decisions in the interests of the patient and not for their own financial gain.

Mark Simmonds: I entirely agree with my hon. Friend. My understanding is that the NHS commissioning board will have a significant monitoring role to ensure that GPs commission services not automatically from themselves but from providers who provide the best outcomes for the patients they are trying to look after.

I would like to make one final point to the ministerial team. Information is the key that will drive improvements in the NHS, and that information must be comparable, easily accessible and easily understandable in order to inform patients' decision making processes. It should not just be on the internet. We should not just wait for patients to access information—we have to find ways of taking it to them, particularly those living in socio-economically deprived areas.

The Bill is a significant step in the right direction. It preserves the best of the national health service—equality of access—while creating opportunities to improve the provision of health care in the UK, so that it can become among the best in the world, rather than lag behind. Excellence for all should be the goal.

6.10 pm

Jim Dowd (Lewisham West and Penge) (Lab): It is a pleasure to follow the hon. Member for Boston and Skegness (Mark Simmonds). Although I do not agree with much of what he said—I certainly do not agree with his rationale for supporting the Bill—he made a few genuine points that, in the calmer atmosphere of a Committee, could be looked at in detail.

I agree with the hon. Gentleman that the difference between the two Front Benches could hardly be starker. This is about the view of what the national health service should be. I am not disappointed for one moment that the view of the Labour party is different from that of the Conservative party and its followers from the Liberal camp. Much has been made of that great event on 5 July 1948, when the national health service came into being. Of course, at the time, it was ferociously opposed by the Conservative party. At the beginning, it was also opposed by large parts, although not all, of the medical profession.

Nadine Dorries *rose—*

Jim Dowd: I will not give way, for one good reason: I might get injury time for it, but others would lose out.

The medical profession has changed its view, as has the Conservative party. The Conservative party has changed its view largely because the NHS and the principles that underpin it resound so clearly with the British people. This has been a difficulty for the Conservative party over the years.

I have seen a few Conservative party reorganisations of the health service. Thirty-five years ago, I was appointed to the Lambeth, Southwark and Lewisham area health authority, which included such hospitals as our local one over the river, St Thomas's, Guy's, King's College and Lewisham. The AHAs were set up as a consequence of the Heath Government's reforms in the early '70s. They were abolished, but not before Lord Jenkin suspended the Lambeth, Southwark and Lewisham AHA for refusing to accept the cuts in the budgets that the then Government were trying to inflict.

The Tories reorganised the health service again and brought in district health authorities. I served on Lewisham and North Southwark district health authority for some time, until in 1990 I was thrown off for having the temerity to be a local councillor. I am sure that there are others around the Chamber who suffered similarly. Who engineered that amazing transformation? It was none other than the current Secretary of State for Justice. I think that he just sacked anybody who was not on his Christmas card list, quite frankly, because nothing in that reform of the health service did anything to improve its accountability or performance. It did hand over the health service, more than ever, to central control and direction, which, we are asked to believe, the Conservative party today decries so readily.

The Conservative party, of course, contains members who believe—and who go on foreign broadcasting stations to announce—that the national health service is a 60-year-old mistake. That is what was said by an MEP who was advising Republicans in the United States to oppose the Obama reforms. He was slapped down quite quickly, unsurprisingly. It is the great embarrassment of the Conservative party that it cannot reconcile its atavistic feelings towards the health service and belief in the free market with the feelings of the vast majority of the British people.

[Jim Dowd]

In recent years, as my right hon. Friend the Member for Holborn and St Pancras (Frank Dobson) pointed out, waiting times for most specialisms have come down almost to the point where they are no longer a consideration. I will tell the House briefly about the experience I had towards the end of 2009. I suffered chest pains of various kinds. I went to A and E at Lewisham hospital on 28 July. I was referred to the chest pain clinic at the same hospital the following week. I went for an angiogram at King's College hospital two weeks after that, where the consultant advised me that I needed bypass surgery. I asked how long it would take—I did not mean the operation, obviously, but the wait. He said, "When can you come in?" I could not make the first date that I was offered, so I had to put it back. My experience was repeated millions of times across this country when the Labour party had stewardship of the NHS. It is that relationship that is so critically under attack.

The NHS is about patients—of course it is. Everybody knows that patients come first and that it must be patient-centred. Those things are meaningless clichés. Patient care and patient choice matter, but what matters more is patient trust. Patients must trust that any therapy, drug or treatment that is suggested by their clinicians and medical advisers is what is best for them—not what is cheapest or what has been contracted for. It is that critical, basic relationship in the national health service that is most under threat from this Bill and that Government.

6.16 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I, too, rise to speak in favour of the Bill. There is a clear divide in the House between the Labour party, which stands by and defends NHS bureaucracy, box-ticking and putting bureaucracy in front of patients, and the Secretary of State and the coalition Government who genuinely want to deliver reforms that will benefit patients. As the Bill says, the people who are best placed to be the advocates of patients are doctors and other health care professionals. Such people are much better placed to be the advocates for their patients than the faceless bureaucrats who have made so many bad decisions, and who have put tick-boxes and targets in front of patient care.

A key issue in this debate was articulated by my right hon. Friend the Member for Charnwood (Mr Dorrell), who said that the NHS, whoever were in government, would face unprecedented strains and problems. One such problem is the ageing population. It is great that people live many years longer, but people consume the majority of their health care in the later years of their lives. Unless we reform the NHS, make it more patient-centred, and cut out the bureaucracy and put the money to better use on the front line, we will not be able to properly look after those older patients.

Stephen Lloyd (Eastbourne) (LD): I agree that the issue of ageing patients is a fundamental challenge. Does my hon. Friend agree that domiciliary care, which is currently delivered through local authorities and primary care trusts, is a vital service that maintains many people's health for the longer term and often prevents unnecessary stays in hospital? Does he agree that appropriate steps should be taken by the Government in the Bill to ensure access to high-quality domiciliary care for all?

Dr Poulter: My hon. Friend represents Eastbourne, which has a large elderly population. He is right to make that point. Under the Bill, health and wellbeing boards will be set up, which will deliver a proper partnership between GPs, hospitals and local councils. That will allow, for the first time, properly joined-up thinking about how we deliver social services care that is joined up with NHS care for older people. I am delighted that the Government will put in almost £1 billion to support that initiative, which can only be a good thing.

The second challenge facing the NHS, which my right hon. Member for Charnwood also mentioned, is that we are having to get more and more out of a limited resource, because people expect more and more from their health care, regardless of their age. People want, quite rightly, to be given the latest cancer drugs. They want to ensure that they have top-quality care and access to information that delivers that care. The problem with the bureaucracy that has been in place is that, far too often, it has taken too long to deliver higher quality care and a greater choice in treatment for patients. When we know that a cancer drug works, it should be available as soon as possible. It should not have to go through a process of two, three or four years of bureaucracy to be made available, and the Bill will help to change that. For those reasons, the Bill's reforms to the NHS will provide an excellent framework in which to deliver better ways of spending limited resources and looking after our ever-ageing population.

A lot of health care professionals will be saying, as I did earlier, that far too often, medicine and health care have been reduced to a tick-box exercise, with targets and top-down bureaucracy getting in the way of patient care. Under the A and E targets delivered by the previous Government, equal priority was given to treating a patient with a broken toe as someone with potentially life-threatening chest pain. That cannot possibly be right. Putting doctors, nurses and other health care professionals in charge of making health care decisions will mean that clinical priorities and better patient care can be delivered.

Grahame M. Morris (Easington) (Lab): Has the hon. Gentleman made any assessment of the reduction in the number of managers, consultants and other bureaucrats that will be caused by moving from 152 primary care trusts to potentially 500 or 1,000 GP commissioning groups?

Dr Poulter: The Opposition need to take on board the fact that the cost of running PCTs has gone up by about £1 billion a year since they were first put in place. The cost of bureaucracy and management in the NHS is unsustainable, and most of the money that we are putting into the NHS is going on salaries and bureaucracy rather than on front-line patient care. It is surely a good thing to remove the middle strand of bureaucracy—PCTs, strategic health authorities and other quangos that cost a lot of money but do not deliver front-line patient care. That will help deliver more money to the front line and to patients, and Members on both sides of the House should support such an initiative.

I shall elaborate on the point about how PCTs have been a great source of wasted money. In my part of the world in Suffolk, they have spent millions of pounds each year on external consultants to tell them how they

should be doing the job that they should have been doing in the first place. There has also been a total disconnect between primary and secondary care and a breakdown in the relationship between them. For example, as the Secretary of State alluded to earlier, hospitals have wanted to put in place outreach clinics for mental health, dermatology and rheumatology, but too often, as in my area, they have been told that the PCT will not allow them to do that.

Hospitals have said that they value and need community hospitals, because they provide an excellent place for step-up and step-down care and for rehabilitation after an acute hospital stay, but PCTs have closed down community hospitals such as Hartismere hospital in my community. We know that that is not a good thing. Far too often, PCTs have been a barrier to joined-up thinking in the NHS between the primary care sector and hospitals.

Hugh Bayley: Will the hon. Gentleman give way?

Dr Poulter: No, I have taken two interventions and I will not take any more.

The Bill will allow health care to become more localised. Some of our constituencies have urban needs and some have rural needs, and allowing GPs to set up localised consortia that are more responsive to the needs of local communities will enable them to recognise those health care needs. For example, the area of my hon. Friend the Member for Eastbourne (Stephen Lloyd) has an ageing population, so the GP consortia and health and wellbeing boards will rightly focus on looking after the older population. In areas of the country such as our some of our inner cities, including parts of Bradford and Manchester where there are huge health care inequalities, the Bill will provide a real opportunity for the health and wellbeing boards and local GPs to tailor their services much more effectively to tackling local problems. For instance, they may face problems such as heart disease, diabetes and obesity more acutely than other areas.

The Bill is a good thing. It will bring to the NHS framework and the national care standards a much more focused, much less bureaucratic and much more patient-centred approach, which will be much more responsive to the needs of local communities. I am proud to speak in favour of it.

6.24 pm

David Miliband (South Shields) (Lab): It is a pleasure to follow the hon. Member for Central Suffolk and North Ipswich (Dr Poulter). I congratulate him on his important and interesting speech, and I wish to pick up his challenge. The choice is not between no reform and reform; it is between good reform and bad reform. I believe that the proposals in front of us represent not a curate's egg, with some good reforms and some bad, but a set of poison pills for the NHS.

The first poison pill is the massive upheaval that the Bill proposes at the time of an unprecedented efficiency drive. The right hon. Member for Charnwood (Mr Dorrell) said that it was precisely because of the efficiency drive that we should have massive upheaval, but he must know that all the evidence from reorganisations throughout the years is that projected savings are double the out-turn, and projected costs turn out to be half the actual level. When the Prime Minister says that there is a £300 million difference between the costs and the savings—£1.7 billion of savings and £1.4 billion of costs—he is actually treating us to a reorganisation that will end up costing money and causing redundancy costs at a time when hospitals and GPs are trying to get the job done.

The Minister of State, Department of Health (Mr Simon Burns): May I correct the right hon. Gentleman before he goes too far down that path? The impact assessment suggests that the one-off cost will be £1.4 billion, and that the savings from that investment over the life of this Parliament will be £5 billion. By the end of the decade, the saving will be £13.6 billion, which is £1.7 billion a year after 2013-14.

David Miliband: I am happy to wager the hon. Gentleman that the costs will turn out to be more like double those estimated and the savings more like half.

The Bill is myopic, or "deluded", to use the word of the *British Medical Journal*, in three key areas, which I wish to mention. First, it assumes that all GPs are ready now to take on hard budgets in the commissioning framework. It took the previous Tory Government six years to get 56% to be GP fundholders. Secondly, it will deepen the divide between primary and secondary care. The hon. Member for Central Suffolk and North Ipswich raised that matter, which is vital. We all know that in our constituencies, collaboration between primary and secondary care is key, especially for chronic conditions. The Bill will make the divide worse, because collaboration will be deemed anti-competitive.

Thirdly, the Bill has absolutely nothing to say about quality control of GPs. In fact, it will remove the local drivers for improvement that I have seen in my constituency. The hon. Member for Basildon and Billericay (Mr Baron) mentioned cancer survival rates, and the Appleby research shows that we in this country have made more progress over the past 30 years than any other country in Europe, and will overtake France in 2012. It also shows that the extent to which we are behind can be explained by late diagnosis in the first year of cancer, which is the responsibility of GPs. They should focus on improving their cancer treatment, not commissioning care.

Mark Simmonds: Will the right hon. Gentleman give way?

David Miliband: No, I have given way once and I want to make some progress. If I have time, I will come back to the hon. Gentleman.

All the matters that I have mentioned are to service a vision of health care as a regulated industry. The Secretary of State has engaged in a ding-dong about which operating framework is more important—the 2009 or the 2010 one. Two points, though, have not been contested. The first is that in 2011-12, for the first time, there will be competition according to price—page 54 of the operating framework says that. The second is that the academic evidence is absolutely clear that price competition results in lower prices, yes, but also in lower quality.

The hon. Member for St Ives (Andrew George) asked the Secretary of State, "What about my community hospitals?", but of course the Secretary of State does not want to make decisions about community hospitals. His predecessor but six, eight or 10, Nye Bevan, said

[David Miliband]

that he wanted a bedpan falling in Tredegar to be heard in the corridors of Whitehall. The Secretary of State does not want to hear bedpans falling; he wants to say that it is GPs who should be making decisions, or the commissioning board, or, in the ultimate irony that my right hon. Friend the Member for Holborn and St Pancras (Frank Dobson) pointed out, the European Court of Justice under European competition law. He pointed out the irony of the Lisbon treaty being critical, but at this very time the House is passing a Europe Bill that calls for referendums when any power is transferred to the EU, including on matters as puny as the appointments system for the Court of Auditors, never mind on a vital part of NHS provision.

Frank Dobson: Does my right hon. Friend agree that the hon. Member for St Ives (Andrew George) is perhaps being a little ungrateful? He might have mentioned that the NHS wanted to close all his community hospitals in Cornwall, and that the dreaded centralist top-down Dobson stopped it.

David Miliband: The benefits of memory are useful in politics, and perhaps my right hon. Friend's intervention will help the hon. Member for St Ives to decide how to vote in the Lobby tonight.

Many people have asked why the Government are making these proposals at such breakneck speed. Surely it is not to solve a political problem on health. After all, the Conservative party spent the whole of the last Parliament doing everything possible to avoid any policy on health that might hint at radical change. That paid off, because in the last prime ministerial debates before the general election, not a single question on health was put to any of the party leaders. It would be massively in the interests of my party and all Labour Members if the next general election were dominated by debates on the health service. On that basis, we should be urging the Government to plough ahead and make the next general election a referendum on health. Frankly, however, the cost would be far too high, and the consequences would be far too great for the national health service.

The truth is that a radical Secretary of State would do something that too few of his predecessors have been willing to do—namely, to say, "On my watch, there will be no reorganisation of the national health service." Such a Secretary of State would dedicate himself to implementing the reforms that are working today. It is not the case that the only choice is between no reform at all and the reforms now being offered. According to health experts, there is more reform going on in the English health service now than in other health system in Europe. Our Scottish and Welsh friends might benefit from some of the changes that are taking place in England, because those changes have made the English health service a fast-improving one in Europe.

There is always room for improvement in the national health service to strengthen commissioning, to link health authorities and local government, to get people out of hospitals and to align with social care. The Dilnot commission has just been appointed to review the funding of social care, but it will not report until July. At exactly the time when we are looking at the localisation of health provision, the Government have appointed someone to look at the nationalisation of social care provision and its funding. This is not a Health and Social Care Bill; it is a health without social care Bill.

> "The real choice is not between stability and change, but between reforms that are well executed and deliver results for patients and reforms that are poorly planned and risk undermining the NHS".

Those are not my words but those of the chief executive of the King's Fund. The Hippocratic oath says that we should "Do no harm". The Bill fails that test. It aims at irrevocable change and threatens real harm, and that is the reason to oppose it in the Lobby tonight.

6.32 pm

Mark Garnier (Wyre Forest) (Con): It is a great pleasure to follow the right hon. Member for South Shields (David Miliband). I am delighted to be able to speak in support of the Bill, because I believe that it responds to some of the issues that have been affecting my constituency for the past dozen or so years. I want to focus on two elements of it in the relatively limited time available to me.

The first concerns the influence of GPs. Like many hon. Members, I hold constituency surgeries, and barely a week goes by without one of my constituents coming to me with an issue about the national health service. Few of my constituents understand the inner machinations of the NHS, but the vast majority of their complaints are directed towards hospitals and treatments, and the way in which treatment is commissioned. For those with some knowledge of how the system works, it is clear that the problems lie with one of the three organisations that serve Worcestershire—the acute hospitals trust, the primary care trust and the mental health partnership—and the way in which they interface with each other. However, what my constituents never complain about is their GP—[Hon. Members: "What?"] Well, they do not. Most of the problems lie in the fact that the chain of delivery of services is too complicated. For a GP to commission services for their patient, their wishes must cross not one but two organisational interfaces, at the very least. That does not make any sense. Anyone designing a complex system tries to instil the highest possible level of simplicity so that opportunities for mistakes are kept at a minimum.

My local GPs, far from fearing change, have welcomed and embraced the new proposals set out in the White Paper. When I met them last September, they had already formed a shadow consortium serving my constituents. They are enthusiastic to take on the responsibilities of commissioning, and they were disappointed not to have been chosen as one of the initial pathfinder consortia. That has now been remedied with the second tranche, with the Wyre Forest consortium being chosen to act as pathfinder.

It is in the second aspect of the Bill that I have a specific interest. Hon. Members will be acutely aware of the issues surrounding Kidderminster hospital and the changes that affected it in the early years of the previous Government. What started as a removal of blue-light services from our hospital ended up as a downscaling from district general hospital to a mere treatment centre with a minor injuries unit, although I must say that the treatment centre is now well liked locally.

At the time, there was huge protest at this outrage. Public opinion was dead against the downscaling, with local residents marching in force against it, a human chain being formed around the hospital to protect it and finally, and most dramatically, an extraordinary result in the 2001 general election when the people of Wyre Forest demonstrated their anger in the strongest way possible by voting at the ballot box to save Kidderminster hospital. But still they were not listened to, and the hospital was downscaled.

Shortly after I was selected as the candidate in Wyre Forest in January 2004, I arranged the first of many visits from the then shadow Secretary of State for Health, now the Secretary of State. I wanted him to come to Kidderminster to hear at first hand how angry local residents were at not being listened to. He came on many occasions and listened to the staff, to patient groups, to doctors and to nurses. Indeed, he has come so often that he is now on first name terms with the two matrons at Kidderminster. [HON. MEMBERS: "Ooh!"] He is a very popular fellow, I can tell you. He has also been to other hospitals facing closure and downscaling, and he seems to have listened to them as well, because the second key element in this Bill is the proposal for local health and wellbeing boards and the local democracy that they will bring.

Frank Dobson: At a press conference this morning, the hon. Gentleman's predecessor, Dr Richard Taylor, made it perfectly clear that he was utterly opposed to all these proposals.

Mark Garnier: I am grateful to the right hon. Gentleman for bringing that up. If my predecessor were that upset about the proposals, it would have been good of him to get in touch with his Member of Parliament and voice his concerns to me directly. He has not done that. He is, however, a man for whom I have a great deal of respect, and his views are worth listening to, although I would not necessarily agree with him on this point.

When I look at the Bill, I ask myself a fundamental question. If these provisions had been in place after 1997, would Kidderminster hospital have been downscaled? I am confident that it would not.

These proposals clearly have the full and enthusiastic support of my local GPs, who are willing, ready and able to take on these new responsibilities. I and they believe that the Bill will result in a more responsive NHS that listens to local people in delivering local solutions to local problems. Finally, I can say to my constituents in Wyre Forest, who are still angry because they thought that they were ignored for a decade, that they are being listened to, that it was the Conservative Opposition who listened to their plight, and that it is their anger at being ignored and the response to that anger that lie at the heart of the Bill.

6.37 pm

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Thank you for calling me to make my maiden speech in this debate today, Mr Speaker. I am deeply honoured to have been elected as the Member of Parliament for Oldham East and Saddleworth in the recent by-election—the first woman MP for Oldham. The circumstances for the by-election were indeed unusual, and it is only right to mention that many constituents and colleagues from across the House have remarked on my predecessor Phil Woolas's intellect, his incredible attention to detail and the kindness he showed to them. [HON. MEMBERS: "Hear, hear."]

My constituency is a beautiful place with a remarkable history. For example, it was not only where the Independent Labour party was born and where Winston Churchill started his political career, but where the suffragette Annie Kenney originated from. Oldham's first parliamentary representatives were of course the radicals William Cobbett and John Fielden, and I intend to be equally radical in my own way.

As beautiful and as varied as my constituency is, what I care most about are the remarkable people. During the by-election, I met thousands of constituents from all walks of life, some of whom supported me and some of whom did not. Regardless of their political affiliation, however, they were invariably polite. Of course, there were one or two who chased me down their garden paths, but, fair dos, it was Christmas day! *[Laughter.]* Their tolerance and decency reflect something very special about our society: a social conscience that values fairness, treating people as they would like to be treated, while recognising that different people have different needs and merits. As we know, both intuitively and from research, fairer societies do better, and are better for everyone. Of course, all political parties have claimed that they are the party of fairness, but I think most people will agree that action speaks louder than words.

I promised the people of Oldham East and Saddleworth that I would stand up for them and fight against unfairness. I believe—there is increasing evidence to support this—that the Government's policies are deeply unfair and, contrary to their assertions, unwarranted. As history has shown, Governments set the tone for the culture of a society. The tone being set by this Government threatens the country's sense of fair play and social justice.

I asked to deliver my maiden speech on Second Reading of the Health and Social Care Bill because, as some people will know, my professional background is in health. I am passionate about the NHS. For me, it not only plans and provides our health services, but reflects the very values of our society.

In '97, the NHS was on its knees. Staff were leaving in droves, and the level of spending on health was one of the lowest in Europe. Labour more than trebled investment in the NHS, enabling us to recruit more doctors and nurses and to improve access to care. Gone are the days when people waited two years or more for a hip replacement or to have their cataracts removed.

The shift to improving health, preventing illness and providing care closer to home has made real, positive differences to the nation's health. The Bill threatens not just those developments, but the very future of the NHS. I have expressed my concerns in the past about the marketisation of our NHS, but the Bill is in another league—it is about the total privatisation of our NHS. Some fear that all that will be left will be the name.

Where is the mandate for that from the British people? We can all sign up to the Bill's objectives, but there is no evidence to support the idea that the proposals will deliver better health outcomes. The reforms are based on the notion that increasing competition drives down

[Debbie Abrahams]

costs and improves quality. However, the overwhelming evidence from the UK, the US and elsewhere, is that that is not how competition works in health care.

I have heard some Government Members ask, "What does it matter who provides our health care as long as it is free at the point of need?" I say to them that that does matter. I have seen how the decisions about which patients those providers treat are based on whether they are profitable or not; they are not based on clinical need.

The reforms will affect the choice of medicines prescribed, and what type of treatments are provided and what kind of patients are prioritised. Certainly, that will not mean those with complex conditions. Unprofitable patients can expect short shrift from this evolved NHS. At my surgery last week, one of my constituents, who is in remission from leukaemia, came to see me because she fears that the drugs that she has been prescribed will be unavailable under the new reforms. What am I going to tell her?

Abolishing primary care trusts as part of the costly NHS reorganisation is yet another broken promise from this Government. Putting £80 billion of the NHS budget into the hands of a few GPs who enjoy managing a business might sound liberating, but in my experience, the vast majority of GPs want only to care as well as they can for their patients. In reality, the commissioning of health services will also be done by private health care companies, and there are significant conflicts of interests when those companies are both commissioners and providers of care.

The impact on equitable access to health care is another real issue. The Bill does not require GP consortia to work together, which leaves the possibility of neighbouring consortia taking different decisions about services, giving rise to a new postcode lottery. By forcing those GP consortia to put all services out to competitive tender, the Bill encourages any willing provider to cherry-pick profitable slices of NHS services. The introduction of price competition for the first time is a disastrous step, with the potential to undermine the quality of patient care.

In public health, which is my field, I have little confidence that the move of the public health service to local authorities will lead to health gain. That depends on an independent and well-resourced public health work force. The Bill also fails to define what will be covered by the ring-fenced budget that is given to local authorities. Thank you again, Mr Speaker, for calling me.

6.43 pm

Henry Smith (Crawley) (Con): Before I begin my remarks on the Bill, may I say how well the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) made her maiden speech? I suspect that we disagree quite fundamentally on the future of the NHS, but one thing that is true of her and of all right hon. and hon. Members is that we want the very best health care for our constituents; we just disagree on the path that we take to get there.

A fortnight ago, I was privileged to speak on Second Reading of the Localism Bill. The hon. Lady spoke of the desire to be radical, but the Localism Bill is a radical measure that proposes to give power over the future of communities back to the people. The Health and Social Care Bill is very much in concert with the Localism Bill—and legislation on policing that is yet to be introduced—in giving authority, choice and power over the important services that people receive back to them.

Right hon. and hon. Members know that when we engage our electorates, they always—rightly and understandably—express certain priorities such as the future of our communities and law and order. Consistently, people are concerned about the future of health care. Health care is one of those great levellers. It matters not what one's background is: we are all equally adversely affected when we do not have the right sort of health care available locally. The measures outlined in the Bill go a long way to giving back to people control over that most important public service, on which all of us and our families without exception rely.

I have spoken on many occasions to local GPs in my constituency. They are enthusiastic about their GP consortium pathfinder status. Already, they are brimming with ideas on how they can improve the patient experience in my constituency, which is broadly to be welcomed. Indeed, I have been heartened by the fact that many of my local GPs are enthusiastic about the democratic accountability that the Bill allows. My local GP pathfinder consortium wishes to be a health and wellbeing partnership pilot, working with Crawley borough council—the immediate local authority—and West Sussex county council.

Dr Poulter: I had the pleasure of working at my hon. Friend's local hospital at Crawley. When I was there, I saw the downgrading of that hospital by the PCT—it lost more and more services. What discussions has he had with his local GPs on how they will improve and enhance services at the local community hospital and generally?

Henry Smith: My hon. Friend is indeed legendary at Crawley hospital, and it is great to take part in this debate with him. Unlike him, I do not have a health background. My wife used to work in the NHS, but my background is as a local elected representative of my community and as a patient, and as someone whose family has had experience of the NHS.

I am afraid that I shared the bitter experience of many in Crawley during the 13 years in which the Labour party was in government. On 1 May 1997, when Labour took office, Crawley had an A and E department and a maternity unit. I am sorry to say that in 2001, Crawley hospital lost the maternity unit. At the time of a rather joyous occasion for my family, it was saddening that my children could not be born in our local hospital.

Hugh Bayley: The hon. Gentleman champions localism, but has he picked up that maternity services will be taken away from GP consortia under the Bill? Is that a good thing?

Henry Smith: I dispute that reading of the Bill. Maternity was taken away from my local community in 2001 and is now 10 miles up the road, in another county, and accessible only by single-carriageway roads, which is at best inconvenient, and at worst dangerous for patients.

The sorry tale goes on. In 2005, under Labour, Crawley hospital lost its A and E unit to East Surrey hospital—10 miles up the road, in another county—which has been seriously detrimental to my constituents, and something that they and I very much regret.

I was struck by many of the comments of my hon. Friend the Member for Wyre Forest (Mark Garnier), because he mentioned things very similar to our experiences in Crawley—and listening to other right hon. and hon. Members, there seem to have been similar experiences across the country as well. I can speak only from my local experience, but there was an eerie resonance in the sort of downgrading of services under the Labour Government.

Geraint Davies: Does the hon. Gentleman accept that what his community, like other communities, will face is a local monopoly—the GP consortia—that will focus on the most profitable lines of treatment, rather than on the best treatment? Surely this is not the right direction.

Henry Smith: I do not see how multiple providers is a definition of a monopoly. However, I must make progress in the short time left to me.

My constituents are pleased that for the first time in many years health decisions will be made in Crawley, rather than, as has happened up until now, on the south coast, in east Surrey or up in Whitehall, and that more decisions will be made by local people.

Rosie Cooper: Will the hon. Gentleman give way?

Henry Smith: I am sorry, but I have not got enough time.

I will support the measures in the Bill, as should all right hon. and hon. Members. However, I would like briefly to ask for clarification on two points from those on the Treasury Bench. First, hospices are greatly valued in our local area—on Friday, I was privileged to visit the Chestnut Tree House children's hospital, which serves my constituency—so some clarity over future support for hospices would be greatly appreciated. Secondly, I would also like an assurance that the merry-go-round of failing managers in our acute sector will be addressed. I regret to say that on new year's eve, at East Surrey hospital—the acute hospital for my constituency—14 ambulances were queuing to get into accident and emergency. That is not good enough. It is another area of the sector that needs to be reformed.

Forgive me, Mr Speaker, because in the seven seconds I have left, I would like to report that there is well-being in Crawley today, because they are due to play at Old Trafford in about three weeks' time.

6.52 pm

Grahame M. Morris (Easington) (Lab): One thing is clear: from whatever perspective we consider the reforms in the Bill—whether from that of Charnwood or Holborn and St Pancras—there is a serious and worrying lack of evidence base for the Government's proposals. These are proposals identified by the King's Fund as without doubt

"the biggest shake up of the NHS since it was established".

While the Health Secretary was the Conservative party's shadow health spokesman—from June 2004 until he took office in May last year—he was coy about his real intentions towards the NHS, as indicated by my right hon. Friend the Member for South Shields (David Miliband). When the Government published the Bill, six major health unions and professional bodies wrote in a letter to *The Times*:

"There is clear evidence that price competition in healthcare is damaging. Furthermore the sheer scale of the ambitious and costly reform programme, and the pace of change, while at the same time being expected to make £20 billion of savings, is extremely risky and potentially disastrous."

Labour Members welcome greater clinical involvement in commissioning, but GPs are not the sole font of knowledge in best practice and other areas.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Does my hon. Friend agree that in any one year some GPs will deal only with one or two patients with, in particular, a neurological condition? GPs might not be in the best position, therefore, to be the providers and commissioners of such services.

Grahame M. Morris: I agree completely with my hon. Friend's point. According to evidence given to the Select Committee on Health, specialists in secondary care and the nursing and other professions could add their expertise to the commissioning process.

The shake-up of the NHS goes far beyond simply involving clinicians in spending decisions. GP commissioning is a red herring. We were told by the Secretary of State that these reforms are needed because productivity has fallen since Labour's increased investment. However, after 18 years of mismanagement and under-investment under the Conservative party, it was obvious that on a crude measurement of productivity—inputs versus outputs—there was going to be a decline in supposed productivity, because obviously money had to be directed towards clearing up the mess left by the previous Tory government, to building new hospitals, accident and emergency units and maternity units, and to reducing waiting lists, which in many areas of the country were 18 months and longer.

The Secretary of State raised the satisfaction survey. Indeed, in December 2010, the National Centre for Social Research released its most recent report on British social attitudes. It found that public satisfaction with the NHS was at an all-time high, whereas in 1997, when Labour came to power, only 34% of people surveyed were satisfied with the NHS—the lowest level since the survey began in 1983. By 2009, satisfaction had nearly doubled to two thirds—to 64%. Given that most health unions, professional bodies, think tanks and the public did not call for such reforms, where did the Secretary of State's motivation come from? These are not patient-led reforms; they are private health care-led reforms.

Pat Glass (North West Durham) (Lab): Does my hon. Friend share my concerns that these plans will lead to high and low-tariff services, and cherry-picking, and that services such as child and adolescent mental health services, children's health services and adult mental health services will lose out?

Grahame M. Morris: I agree with the concerns expressed by my hon. Friend. There are concerns about the removal of the tariff floor and the introduction of price competition into the service. That is radical and revolutionary; it is not evolutionary. Rather than open-market health care, the British Medical Association and others are calling for a

"cooperative and coordinated environment where patients are guaranteed the most clinically appropriate and cost-effective care. Price competition and a fully open market will make this impossible."

Clause 63 allows the Secretary of State to impose requirements on consortia to promote competition between providers, and clause 64 makes it possible for Monitor to investigate any complaint of anti-competitive behaviour made against commissioners by any interested party. That might be a third party or an overseas private health care company, and would make it far more difficult for GPs to ensure that their patient services are integrated, inclusive and carried out in partnership. The Bill also forces trusts to achieve foundation status within three years and will lead to more important priorities, such as safe patient care, being compromised. Furthermore, the abolition of the private patient income cap set out in clause 150, removing the limit on the amount of income foundation trusts can earn from private operations and private health care, will create a two-tier health system. Foundation trusts forced into the market without protection will face financial pressures to turn a profit, and NHS patients will risk being pushed to the back of the queue.

To my mind, and according to evidence submitted to the Health Committee by the Royal College of Nursing in which it identified 27,000 nursing posts that will go, these reforms will result in tens of thousands of job losses and undermine national terms and conditions for NHS staff. The scrapping of targets has left the NHS open to a dangerous postcode lottery. The duty to tackle health inequalities is one of the few remaining powers to be held by the Secretary of State, but he will have nothing to back it up.

There is also no protection for the taxpayer from exorbitant and excessive behaviour by the consortia, an issue raised by my hon. Friend the Member for Blyth Valley (Mr Campbell). It is possible that we will see banker-style bonuses and the import of private sector pay into health care. *[Interruption.]* The Minister moans from a sedentary position, but there is nothing in the Bill to prevent that from happening. The Bill will also leave us, as Members of Parliament, with no voice in the NHS. This Tory-led Government seem to be trying to de-risk this political hot potato, which the Conservatives have never been able to manage properly. However, if Ministers think that the British public will allow them to wash their hands of the NHS without any comeback at the next general election, they should prepare to be shocked.

I would like to say one more thing in the time left—now that the hon. Member for St Ives (Andrew George) is back in his place and given what the hon. Member for Burnley (Gordon Birtwistle) said—about the combined impact assessment. I have received a letter from a GP saying that the practical significance of the Bill will be such that the many MPs who campaigned to save their local hospitals cannot vote for it in all honesty, knowing that in so doing they will be voting for a measure that is purposefully and expressly designed to prevent them from having any say and which will potentially lead to the very outcomes that they so vociferously campaigned against.

7.1 pm

Nadine Dorries (Mid Bedfordshire) (Con): I rise to support a Bill that I believe is perhaps one of the most exciting, if controversial, Bills to have been put before Parliament in the 62 years since the NHS was established. It is a fact that a resident in this country today is twice as likely to die from a heart attack as a resident in France. In this country, we also fail to reach European averages for stroke care. In fact, 4,000 stroke victims a year lose their lives because our NHS is not up to European standards in stroke care. If we delivered trauma care slightly differently, we could also save 600 more lives a year, but we do not. Those figures alone show that it is now time, 62 years since it was established, for the NHS to be modernised.

In those 62 years, drug research and development have advanced hugely. Medical technologies have advanced in a way that could not even have been imagined 62 years ago. As a result of the internet and the information now available, patients expect and demand to have a say in how their condition is managed. They want more information and they want to discuss their care with their GPs. The Bill will put the patient right at the heart of the NHS, and that is why I so passionately support it. The central tenet of the Bill is: "No decision about me without me". It will ensure that, for the first time, each and every patient can almost become their own lobbyist, sitting in front of their GP and discussing their condition and treatment in an open way, where they have information and the GP will have to engage with them. That does not happen today, and certainly not in hospitals.

I would like to give an example—something that I heard about this weekend from a patient—that clearly epitomises why the patient has become invisible in the NHS today. That patient was in hospital at the weekend when a doctor walked up to him, lifted his arm, took blood, put his arm back down and walked away without saying a single word to him.

Catherine McKinnell: It strikes me that despite what the hon. Lady is saying about the patient becoming the heart of the NHS, it will instead be the GP who becomes the heart of the NHS. Is she suggesting that the GP will be in the hospital with that patient to hold their hand at every stage of their treatment?

Nadine Dorries: I wish that that had been a more sensible question, because then I would have been delighted to give the hon. Lady an answer.

That patient was in hospital when the doctor walked up, took blood and put his arm back down without even a word of acknowledgment. A nurse then came and put his tray of food at the end of the bed. The patient was attached to a heart monitor and a drip, and could not reach the food. The patient was distressed, vulnerable and in pain, yet he was invisible to the health care professionals who were treating him. He was invisible because what is important in today's NHS is the process—the management, not the patient. The humanity of the patient has almost been lost, and there is no way to put it back into the NHS other than to tip the understanding of who is important in the NHS on its head. The Bill does that in a way that has never been done before and which is now needed.

Anne Marie Morris (Newton Abbot) (Con): One of the concerns that I have come across is from health professionals who would be delighted to see red tape removed. I have spoken to directors of nursing who spend more time on red tape than they do with their patients, and they are deeply frustrated. Does my hon. Friend agree?

Nadine Dorries: Absolutely, and the Bill will address that, in as much as care will be more easily accessed by the GP and the patient, in a much more streamlined process.

When nurses sat their medical exams 62 years ago, when the NHS was first established, the answer to each question had to begin and end with the words: "Reassure the patient". It did not matter what someone said in the answer; if they did not emphasise the fact that the patient had to be reassured, they failed. That has gone. That demonstrates exactly how the patient has become invisible in today's NHS.

I support the Bill because I support GPs working in consortia. A common myth—an urban myth—that we have heard in the few weeks leading up to this debate, and which has been thrown at us from the Opposition Benches, is that GPs are simply not up to the task of becoming business managers. The truth is that they already are business managers, because they all manage their own businesses. They will not be working as individuals or in individual practices; they will be working as part of a consortium, which is quite different from the impression given by the Opposition. Right now, 141 pathfinder consortia are demonstrating that they are ready and able to take on commissioning, and that they endorse patient involvement in the decision-making process. As a result of the "any willing provider" provisions, there will be a genuinely wider choice of care options available to the GP and the patient.

I would like to rebut the argument that the private sector will come in and undercut the NHS. That is complete nonsense. There will be no undercutting of the NHS whatever. Services will be—*[Interruption.]* I can only say that Opposition Members have not read the Bill, because there will be a tariff. Charities and the private sector will be able to provide services, but with a tariff. I shall give an example. If a patient requires a surgical procedure, which they discuss with their GP, and the local hospital has no bed available for six weeks, two months or however long, but if the local private hospital can provide a bed the next morning at the same price, are the Opposition really saying that an ideological obstruction should be put in the way of that patient being admitted to that private bed for that procedure the following day?

Rosie Cooper: Will the hon. Lady give way?

Nadine Dorries: I cannot, because I have given way twice and I have no more time.

If that patient were in pain, why should they not be admitted into that bed if it were available? That is how the market will be opened up by GPs, to the benefit of patients.

We recently heard from my right hon. Friend the Prime Minister about an extra £60 million that will be available to fund the latest bowel cancer screening technology, with wider deployment of the flexible sigmoidoscope. That does not need to be provided in secondary care in a hospital; it could be provided in the GP practice under the "any willing provider" provisions, perhaps via charities with specialised trained technicians. The Bill will ensure a new approach to providing services to the patient. "Any willing provider" will give patients the choice that they have not had for 62 years, empowering them to make decisions over that choice and opening up health care that patients in this country have not had, certainly for the past 15 years. With new technologies coming on stream and new ways of delivering care, both in the patient's home and in the GP practice, that has to be welcomed. The Bill has to be welcomed, and Government Members will vote for it because the most important person in the Bill is the patient. That is why I support it wholeheartedly.

7.10 pm

Hugh Bayley (York Central) (Lab): The Government White Paper said some sensible things: it promised to increase NHS spending in real terms, to improve patient choice, to devolve decision making, to reduce management costs and to hold doctors to account for their clinical outcomes. Indeed, the objectives are very similar to many of those of the former Labour Government. The problem, however, is that the Bill will undermine many of those good aspirations.

Health spending is, as we know, falling because the amount by which the Government increased the NHS budget is lower than the rate of inflation. *[Interruption.]* For my health authority, it is 0.3% lower than the rate of inflation. Patient choice will remain limited to where GPs choose to commission services. Centralising many services under the NHS commissioning board—a new layer of bureaucracy—means that NHS dentistry, community pharmacy, optometry services, regional and sub-regional specialties and, indeed, some more complicated local services will be commissioned at national level by that board rather than at local level by a primary care trust, as in the past, or by a commissioning consortium in future.

I am sure that the Government will try to reduce NHS management costs. Every Government since the creation of the NHS have sought to do so, but this Government need to explain how creating 500 or 600 commissioning consortia—each with the skills to commission services—will cost less than the 150 PCTs that currently do the job. They are likely to lose economies of scale and the decisions taken could well lead to the fragmentation of some services such as dermatology or pathology. Such services are currently commissioned by a PCT for the whole PCT area, but in future could be commissioned in three or four different ways by different consortia. Small, less well resourced GP commissioning consortia will, I believe, be less effective than PCTs and strategic health authorities in controlling the costs of powerful hospital foundation trusts.

The Government are right to stress the importance of measuring clinical effectiveness and outcomes, but that makes it extraordinary that they have put primary care in the driving seat. We know a lot about the work of hospital doctors from the hospital episode statistics, but there are no national data on GP consultation rates or the thresholds they employ before they intervene with treatment or on GP outcomes, yet GPs are being put in charge of demanding this from everybody else.

[Hugh Bayley]

Running through the Bill is the idea that transparency and accountability will drive up performance, so here are some questions to the Minister, which I hope he will address in his concluding speech. The Bill is designed to reduce health inequalities, yet there are enormous inequalities in GP services. Some GPs are very good; others less so. There are differences in their prescribing and referral rates, so how are the Government going to measure GPs' clinical performance? How will a GP commissioning consortium hold erring GP practices to account? What sanctions will be employed?

How will patients hold their GPs to account for their commissioning decisions? We are, of course, familiar with GPs being sued for bad clinical decisions, which is why they take out medical insurance and have to pay increasingly more for it each year. Will patients sue their GPs for bad commissioning decisions? How will the consortia hold hospitals to account?

How much will the GP commissioning consortia receive in management allowance per patient, because the Government's success in making administrative savings will depend on that? What sanctions will be imposed on a GP commissioning consortium to ensure that it commissions effectively and uses a good evidence base for its decisions?

The Government tell us that PCT deficits will be written off before the consortia take over, but what help will the commissioning consortia get in areas such as mine where there has been a difficult structural deficit—brought into balance by the previous Labour Government, but out of balance once again under the new Administration—to stop them falling into deficit? What will happen if they do go into deficit? Will their budgets and the services they provide to patients be cut as a result?

Mr Dorrell: The hon. Gentleman is making a thoughtful speech and asking, if I may say so, some very good questions, with all of which I agree. There is an implication behind his speech, however, which is that if all those questions can be answered, as I hope and believe they can, he will support the Government's policy. Is that implication correct?

Hugh Bayley: If I were convinced that they could be answered, I would indeed support the Government, but unfortunately I am far from convinced that it is the case.

Let us take another issue. The Government are providing a lesser increase in funding to the NHS this year, which amounts to a cut in real terms when the rate of inflation is taken into account. They think they will get away with this because the NHS staff wage bill is being frozen for a two-year period. What thought have they given to the wage bounce that will inevitably come in two years' time? There will be enormous wage pressure on the NHS budget; are the Government intending to increase it significantly at that time?

Mr Dorrell: I am anxious to provide the hon. Gentleman with extra minutes so that he can tell us whether he approves, in principle, of the idea of practice-based commissioning, which was originally introduced by the previous Government?

Hugh Bayley: I certainly do not agree with the way in which it is being introduced. The right hon. Gentleman will probably know that before the last election, I made a proposal to strip out one level of NHS bureaucracy—the PCT level—and do commissioning where it was needed at the SHA level. That would have achieved administrative savings. Instead of that, however, the Government have decided to replace 150 bureaucracies—PCTs as commissioning bodies—with some 500 or 600 bureaucracies: the GP commissioning consortia. I do not think that that will achieve administrative savings. With the NHS budget so tightly squeezed by the current Government, if more money is taken away to meet the costs of bureaucracy, less money will be available for treating patients. That is the crux of the issue.

I believe that those are some very serious questions, which the Government need to answer if they going to convince the public of their plans. There is an intellectual incoherence in many of their proposals. They have not looked either at how some of their goals—on patient choice, for instance—might conflict with other goals such as increasing efficiency. Will a doctor be able to insist that patients have the most efficient treatment even if they do not choose that option themselves? Would it not make sense to pilot these changes before imposing them, untried and untested, on the NHS?

7.18 pm

Sarah Newton (Truro and Falmouth) (Con): Thank you, Madam Deputy Speaker, for calling me to speak in this most important debate. The scope of the Bill is far reaching and other Members have covered many aspects in their contributions, so I want to focus on one area—that of the future governance of the NHS.

The Secretary of State has identified a powerful and simple concept that resonates with people across the country—that "No decisions taken about me should be taken without me." While this concept is usually applied to the individual relationship between the patient and clinician, I believe it is just as applicable to the communities that the NHS serves in any particular area.

As we have seen from campaigns across the country, people do not want decisions about the health and care services available to them in their community to be taken without the opportunity to get involved in the decision: "No decisions about us without us." Over the last few years, I have seen the lack of openness, the lack of transparency, the lack of consultation and the consequent fear and suspicion that that brings.

I realise that not everyone will want to become involved in local decision-making and that many are happy to leave it to others, but I believe that we are right to enable more resilient and empowered communities to shape their own futures. Giving more power to the people is as important in the context of decisions about health and well-being as it is in the context of decisions about planning, homes and the environment.

The Bill is nothing short of a revolution in terms of the devolution of decision-making power to people in their communities, accountability, and the governance of health and care services. First, it links two crucial services. For too long the separation of those services, and the silo mentality governing the care delivered by local authorities and health services commissioned by primary care trusts, have prevented care pathways from

being developed effectively in a way that works for the patient, which has often closed off the vital role played by families, carers and volunteers in supporting people. There cannot be a Member in the House who has not had personal experience of that, or shared the experiences of elderly constituents who have been bundled around the system, described as bed-blockers and made to feel a burden.

Of course, in some parts of the country health and care services have been integrated, but they are in the minority. The Bill, and the money that the Government are making available to help fund the integration, will enable all parts of the country to develop the high-quality, joined-up services that are currently available only to a few.

Stephen Lloyd: I agree with much that my hon. Friend is saying about integration and the need to work with the community, and I applaud many of the changes made by the Bill. For years we have all talked of using pharmacists in a smarter way. Does not the Bill provide an opportunity for much more integration of community pharmacy with the consortia, and for the Government to support the consortia in that endeavour?

Sarah Newton: As someone who represents a rural area of Cornwall where GPs' delivery of pharmaceutical services is vital, I think that that is an extremely good idea.

Secondly, the new responsibilities of Monitor and the Care Quality Commission will make possible independent regulation of both quality and safety of care and value for money. I have observed the problems that have occurred in recent years when managers have evaluated their own compliance with standards. Good decisions can be made only with sound evidence. The powers of the National Institute for Health and Clinical Excellence and the Information Centre will be enshrined in legislation for the first time, and their independence from Government will thus be guaranteed.

Thirdly, the Bill creates a new role for local authorities in public health. Directors of public health, jointly appointed by Public Health England and local authorities, will play a leading role in the discharging of authorities' public health functions. Arguably, it was the initiatives of local authorities in past centuries—such as the introduction of fresh water, drains, sewage management and the controlling of vermin—that led to some of the most significant improvements in life expectancy.

Anne Marie Morris: Is not one of the real strengths of making public health part of the role of local government the fact that housing, which is a critical issue to public health, can be viewed in the round?

Sarah Newton: I entirely agree with my hon. Friend, who has anticipated a point that I was about to make.

The returning of more responsibility to local authorities—along with the considerable social determinants of health for which they are already responsible, such as the availability of good-quality housing and the regulation of places of work, environmental health and leisure services—has the potential to improve health outcomes, and to close the ever-widening gaps in health equalities in this country.

The Bill will ensure that every upper-tier authority establishes a health and wellbeing board consisting of the director of public health, GP consortia, children's services, adult services, care providers from all sectors, and local health watch organisations. Such boards should provide local leadership and a strategic framework for the co-ordination of health improvement and the addressing of health inequalities in their areas. The joint strategic needs assessment will be integral to the process, and will influence the commissioning of services. The local health and wellbeing boards will, in effect, hold the ring when it comes to the health and care services provided in their communities. Local authorities will maintain and extend their role as scrutineers of all services, whether they are commissioned locally or nationally and whether they involve health or social care. They will also be able to commission complaints and advocacy services from any provider, rather than just from the local or national health watch.

The Local Government Association has warmly welcomed the proposed changes. The best local authorities have good experience of working with public, private and not-for-profit organisations as well as the charity sector in delivering integrated care. They are used to planning person-centred and personalised care.

I believe that—along with the changes that the Secretary of State has already made to the operating framework of the NHS in relation to the reconfiguration of services—the Bill, when effectively implemented in communities across the country, will lead to greater openness, greater accountability, and greater confidence for all those working in health and care, as well as for the ordinary people up and down the land who have lost so much confidence in the way in which decisions are made. These changes will take time, but I am confident that within the next four years, when we ask the people of this country, "Do you feel that decisions are being taken about you and with you?", many more people will say "Yes" than would do so if asked that question today. That is a result that I shall be proud to have played my part in achieving.

7.26 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): As we have already heard today, the public love the NHS, and they are right to do so. Of course it is not universally perfect; of course there are times when it does need reform; but it is still something of which we are right to be proud, and we should not be proud of it just from a moral standpoint.

As economists of many different political persuasions have shown, a centrally funded NHS is a far more efficient way of providing a system of health care than the imperfect market of a system of health insurance. We need only look to America, where, until the recent reforms, more than half all personal bankruptcies were caused by people who were unable to meet their medical bills, to recognise how decent and effective our system of health care really is.

That brings me to the main point that I want to make. In my view, these proposals do not represent an evolution in the NHS reforms of the last Government. The principal goal of the Bill—to transfer commissioning from PCTs to GPs—is, in fact, a dangerous gamble with one of the country's most-prized institutions. Bringing GPs closer to decision-making did not require the wholesale dissolution

[Jonathan Reynolds]

of PCTs and the transfer of their responsibility to GPs. When the Government promised no further top-down reorganisation, they should have meant it, because this reorganisation is ill judged and ill advised, as is spending the £3 billion that it will cost. However, now that they have embarked on this revolution, they should be aware of what has come about as a result of it.

Throughout the country, there is a pressure cooker of discontent in the primary care sector as PCTs struggle to balance their budgets and hand over what, on paper, will appear to be their stable financial footing. In order to do that, many have already implemented restrictions on procedures, described in the jargon as "procedures of limited clinical value". I assure Ministers that they are not of limited value to people who are suffering and in need of care. In a number of areas, PCTs have asked GPs to suspend all but urgent referrals to secondary care. This prompts us to ask what kind of health service GPs will be inheriting. Patients are suffering now as a result of the actions of this Secretary of State.

I also fear that the commissioning of specialised services will create a real gap. For all the faults that some may ascribe to them, PCTs ensured equity for those who, if commissioning had been done on a smaller scale, would have struggled to have had their voices heard. There is a real question of scope here. Many GPs simply do not have sufficient sight of some types of work to commission effectively. The provision of mental health services is a particular concern. As ever with this Government, it seems that the most vulnerable will be most at risk.

If GPs really are better placed to commission services on behalf of patients, why were there shortages of flu vaccines this winter? GPs were responsible for ordering those vital supplies. They had the medical records of the people in their areas; they had the information that they needed in order to make effective provision. In my area it was the local PCT that remedied the situation, but who will be there to do that in future? GPs already have to balance financial and medical considerations. Have they really proved that they can do so effectively?

Finally, we must look at what exactly GPs will be expected to do and how they will go about doing it. In all the contracts they award, someone will have to monitor financial and clinical governance. That requires expertise, which GPs will have to buy in. Who will evaluate the tenders for services and deal with contractual issues? That will require yet more expertise to be brought in. Once we consider all that PCTs do across a wide geographical area, we see that GP consortia doing the same thing over a smaller area will result in an army of consultants, private companies and ex-PCT staff being contracted in by the consortia. We will, in effect, have the expense of PCTs as they work on the same things as now, but without the accountability and economies of scale currently enjoyed. Alternatively, GP consortia might achieve these economies of scale, but they will do so by ceasing to be the community-based practices with which we are all familiar. They will become faceless corporate entities, where doctors will be salaried members of staff with no connection to a specific practice or locality. That might be the Government's intention, but it is not an evolutionary change to the NHS.

I do not wish to be entirely negative, because there are parts of the Bill—these do not deal with changes to commissioning—that I have to be more positive about. I welcome the ongoing commitment to patient choice, as I have never believed those who say that the public do not want to choose which NHS facilities they wish to use. As with other public services, the NHS must reflect the autonomy people now expect to be able to exercise over their own lives. I also welcome a stronger role for local government in scrutinising health outcomes in their area, provided that that is a real power, not a symbolic one, entailing the ability to force changes when outcomes are not good enough.

However, those are small consolations when we consider a Bill that risks the very future of the NHS as we know it. This is a poor Bill, which has been rushed out without scrutiny and which lacks a democratic mandate. It is not so much a hand grenade thrown into the national health service, as a commercial demolition designed to break the NHS as we know it in order to serve a set of interests which are—

Stephen Lloyd: Will the hon. Gentleman give way?

Jonathan Reynolds: I am not going to give way. Other hon. Members wish to get involved in this debate and it is a disgrace that we have only one day to discuss this.

This Bill will break the NHS to serve a set of interests that are not those of NHS patients, not those of NHS staff and not those of my constituents. It is for those reasons that I shall vote against it today.

7.32 pm

Mr John Baron (Basildon and Billericay) (Con): I rise to support the Bill, because I support the two big ideas behind it. The first of those is the increased focus on outcomes, which is long overdue and very welcome. For those who suggest that there is no need to improve the NHS or to worry about the issue of outcomes, I shall just highlight this country's relatively poor cancer survival rates—as some hon. Members will know, I have a particular interest in cancer. Improvements have been made over the years, but those improvements go back over 30-odd years and other countries have improved, too. This country still flounders in the lower divisions of the international cancer league tables, and that situation has to be wrong.

The all-party group on cancer focused on that issue in 2009, finding that patients who reached the one-year survival mark in this country stand as much chance of getting to the five-year survival point as patients in other countries, but that our one-year survival rates are very poor indeed compared with those of other countries. That tends to suggest that the NHS is as good as others, if not better, at treating cancer once it is detected, but very poor at detecting cancer in the first place.

Part of the problem is in the area of early diagnosis, which is why we recommended focusing on one-year survival rates. We suggested introducing an outcomes benchmark that focuses the NHS on the one-year survival rate, because late diagnosis makes for poor one-year survival figures. If we can get the NHS focused on that, many patients will benefit. Therefore, we are delighted to see that both one-year and five-year benchmarks have been introduced in the outcomes framework for

2011-12. We very much welcome that, but I believe I am right in saying that the 2011-12 outcomes framework covers only colorectal, lung and breast cancer. We have lots of data for other cancers, such as prostate cancer, and I urge the Government to think seriously about extending the cancer types covered in the 2012-13 outcomes framework. The risk is that if we do not do so and we include just a narrow range at a national level, that will make for a lack of priority at the GP level.

As for GP commissioning, bringing commissioning decisions closer to the patient has to be a good idea; patients have got to benefit from that. Some people say, "GPs see only about eight new patients a year. What could they possibly know about commissioning cancer services?" I would turn that around by asking how many cancer patients the chief executives of primary care trusts see. They are commissioning cancer services at the moment. That point needs to be discussed.

Owen Smith (Pontypridd) (Lab): Given the hon. Gentleman's interest in cancer, I am sure that he will know that the point is that the cancer networks often aid commissioners at all levels in providing this care and they are dissolving before our eyes right now as a result of these changes. GPs will not have the experience to commission care in respect of rare tumour types.

Mr Baron: I agree with the general gist of what the hon. Gentleman is saying, but I would not say that the cancer networks are dissolving. I have raised this important point many times in the House—perhaps he was not in the House when I intervened on the Secretary of State—and what I would again ask my Front-Bench team about is the funding gap. I understand that the funding for the cancer networks ends in 2012 and there is a gap until the GP commissioning takes full effect. The answer given to me from the Dispatch Box today was that the national commissioning board will be up and running by 2012. The problem with that answer is that the national commissioning board will give guidance but the arrangements for the people who will actually make the commissioning decisions, the GPs at the front line, will not be truly effective until 2013 at the earliest—that will probably happen in 2014.

The worry is that in that gap a lot of expertise could be lost to the cancer community as a lot of expertise within those cancer networks decides to walk out of the door. I again ask the Government whether there is any way in which we could bridge that gap in order to ensure that GPs are better able to make informed decisions about the commissioning of cancer networks, because those networks contain an awful lot of expertise that we would not wish to lose.

I am fated to ask that question of the Minister of State, Department of Health, my hon. Friend the Member for Chelmsford (Mr Burns) again, as we are fated to discuss the issue. I appreciate that cancer is not his specialty, but I would like to get an answer on that point. There is a difference between the national commissioning board taking responsibility for guidance and the GP consortia actually taking responsibility for the commissioning. That point has to be addressed carefully, because various cancer charities have already reported that some 50% of the staff of cancer networks are thinking of leaving or have been told that they will be leaving within the next 12 to 18 months as part of a cost-cutting exercise. We need to address the point sooner rather than later.

In the remaining minute allowed me, may I quickly discuss eye health? I am wearing my hat as co-chair of the all-party group on eye health and visual impairment. I welcome the clauses that place primary ophthalmic services with the national commissioning board, which is likely to devolve enhanced optometry services to GP commissioners. That is the right decision and those working within the medical profession welcome it. However, I suggest two areas where we need to establish a national system. The first relates to glaucoma referrals under the NICE guidelines and the second relates to community-based acute services—in other words, those managing red eye and minor eye problems. The Secretary of State visited the school of optometry in Cardiff and, apparently, he liked what he saw. Can we ensure that those national guidelines are in touch, because otherwise we get a fragmented service and patients may suffer as a result?

In conclusion, I welcome this Bill, which could be transformational, particularly with its focus on outcomes. The Government will therefore have my support in the Chamber tonight.

7.39 pm

Clive Efford (Eltham) (Lab): This is a very dark day for the future of our national health service, particularly for those who have spent most of their political lives campaigning for and supporting the NHS. Some of us remember what 18 years of Conservative government did—the hospital closures and continually increasing waiting times that patients had to endure. One of the first cases that came through my door when I was newly elected to Parliament was that of someone who had been waiting 18 months for open-heart surgery. His wife came on his behalf, pleading for something to be done. I am pleased to say that he was treated under a Labour Government and that he is still alive today.

In contrast, this is a good day for those who have always hated the national health service. I remember a former Tory MP, Matthew Parris, who became a journalist, going on TV at around the time of the 1997 election and being asked, "What is it about the Conservatives and the NHS?" He replied, "It is quite clear—they hate it." They hate the idea that they pay taxes and that the "undeserving poor" get equal treatment in the NHS, and they do not accept that people should be treated according to clinical need. That is why they continually chip away at the NHS. I do not blame the Tories, because they are just doing what Tories always do to the NHS, but when people went to the ballot boxes and voted Liberal Democrat in the last general election, they did not vote for the destruction of the NHS.

Many Government Front Benchers have campaigned against hospital closures, but the impact assessment for the Bill clearly states that Members of Parliament and local councillors should not be allowed to influence any decisions about hospitals in future. The Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), looks surprised, but that is in the impact assessment. Did she not read it? No wonder the Government did not publish it until last Thursday. It says that anyone on the Government Benches who campaigned at the last general election to keep a hospital

[Clive Efford]

open will be prevented from influencing decisions in the future. In order to secure a market and prevent it from being unduly influenced by political interference—in order to create a fair marketplace—politicians will be denied the opportunity to influence what is going on. That is in the Bill and the impact assessment. Before any Liberal Democrat votes tonight, I urge them to check that impact assessment, because if they do not, they will be voting for something without appreciating what is coming down the road.

I fully support the idea that GPs will be champions on behalf of their patients, but I am sure that the measures will be a bit of a curate's egg in that respect. Howard Stoate, a former colleague of ours, supports GP commissioning and I have no doubt that if I were his patient I would be very pleased to have him as my GP, but unfortunately not every GP is a Howard Stoate. The issue with what is going on and what is being changed here is that GPs will not perform in the same way across the board. We saw that with the Tomlinson review and GP commissioning before—a lot of them became property developers. They top-sliced capital money, developed their properties, sold them off at a profit and moved down the road. We have seen all this before.

Several hon. Members *rose—*

Clive Efford: No, I am not going to give way.

What about the idea that there will be patient choice and that patients will have some idea of where to go? Are we going to get all the information about private sector providers? Are they going to publish their performance data in the private sector when patients are making up their minds whether to use them or not? I suspect that we will get what we got before with these sorts of changes—commercial confidentiality; we will be told, "We can't possibly tell you that because that would harm our performance in the marketplace." That is what we got before and I do not doubt that we will get it again.

Let me address the comparisons that we have heard from Ministers.

Several hon. Members *rose—*

Clive Efford: Members can just sit there and listen. [Hon. Members: "Give way!"] They put this ridiculous Bill up—they can sit there and listen.

The comparisons that we have had from the Government about performance on heart disease and cancer involve the selective use of statistics to try to prove their point. The Appleby review clearly states that on current trends, by 2012—*[Interruption.]* I am not reading my notes; I do not know whether the Minister has noticed. Appleby states that by 2012 this country's performance in relation to a number of cancer treatments will exceed that of France, which in 2008 spent 28% more than us, as a proportion of gross domestic product, on health. We have only just reached the European average in terms of expenditure on the national health service and, as other hon. Members have said, it is time to let the NHS bed down. The time for change is not now. We should allow that expenditure to have the effect—

Madam Deputy Speaker (Dawn Primarolo): Order. Time is up.

7.45 pm

Mr Steve Brine (Winchester) (Con): I should like to say that it is a pleasure to follow the hon. Member for Eltham (Clive Efford), but I think that those watching the debate can make up their own mind about what they have just heard. I speak as a Conservative who loves the NHS; I am sorry to disappoint the hon. Gentleman in that regard. His comments were a great example of the knockabout that we hear in the House, which the public hate so much. I remind him that every day people die, work in and love the NHS, and they deserve better than what we have just heard.

As ever, time is short, so I will not detain the House. I want to focus on the fight against cancer and to share with right hon. and hon. Members the way I view these reforms. The Bill promises to take day-to-day power and responsibility out of the hands of Ministers and managers and to put it firmly into the hands of GPs. This means that decisions about NHS care will move closer to the patient and away from the remote organisations of which few people whom I and others represent have heard. Even fewer of those people would have the first idea what those organisations do, let alone how to contact them.

In an extremely tough financial climate, even for the NHS, we are talking about removing the bureaucracy of the primary care trusts and strategic health authorities and investing that money in patient care. As I have said in my constituency more times than I care to remember, I am concerned only about protecting the services that my constituents rely on. If they are threatened, I will dust down the placards, but I am not going to rummage around in the shed for one that reads, "Save the PCT"; I do not think that "Save NHS Hampshire" trips off the tongue.

The concept of reforming our NHS so that services and decisions come closer to patients is not one that I find disturbing, and I wish that we could at least start the process of debating this Bill by agreeing on that. However, nothing I have said thus far means that I and many others do not have questions about the next few years as we move to full GP consortia commissioning. Some Members will know that I co-chair the all-party group on breast cancer. We have worked hard since the publication of last year's White Paper to produce a response. In October we held a health inquiry session at Breakthrough Breast Cancer's "Westminster Fly-In". Breakthrough's CAN members and parliamentarians highlighted the breast cancer patient perspective and focused, as ever, on our vision of a future free from the fear of breast cancer.

The public health approach outlined in part 2 of the Bill will encourage people to be much more proactive about their health. I feel strongly that encouraging greater breast awareness is and must be an important part of that. Most breast cancers are found by women who notice a change, take the initiative and subsequently visit their GP. There is strong evidence that being breast aware—knowing the signs and symptoms of breast cancer and the importance of early treatment—and attending NHS breast screening appointments are two of the most important factors in breast cancer survival in the UK. The third is, of course, treatment. When it

comes to screening, we have to do much better in this country. This change in public health must give a strong impetus to local authorities, many of which are big employers of women, as well as to GPs and local employers to come together and make sure that we do better. Women should be given time off work to attend breast screening appointments and providers must recognise that access to screening that works does not always mean nine-to-five, Monday to Friday. That is something we have discussed in our group many times.

Locally, GPs should be encouraging women to be much more breast aware and should make sure that no-shows for screening appointments, which are sometimes as high as 50% in my area, are followed up and that those women are given the support they need to get there. As I have said before, the move to pure GP-based commissioning will sharpen efforts in that regard through much more sophisticated data management and use of the lists that are currently poorly used.

Much has been said in the House and outside about the UK's low placing in the cancer league tables, and it is often the Eurocare series, which the Secretary of State mentioned, that shows that survival for the four most common cancers in our country are lower than in the rest of Europe. As Cancer Research UK said to me and all hon. Members in its briefing ahead of today's debate,

"commissioning of cancer services is not as good as it could or should be",

and I know that Cancer Research UK welcomes, as do I, the recently published cancer strategy.

That superb organisation, Macmillan, tells us that more than 2 million people are living with or after cancer in this country, and by 2030 there will be 4 million. As we all know, cancer is a set of 200-plus different diseases, most of which have highly complex care pathways. I have concerns, as others have said, about the low level of GPs currently with a specialism or particular interest in cancer compared, for instance, with diabetes or mental health.

I urge Ministers, as did my hon. Friend the Member for Basildon and Billericay (Mr Baron) so eloquently a moment ago, to look again at the transition period from 2012 to 2014 to protect the cancer networks until GP consortia are in a position to make better decisions about the support and expertise they require. Solid action from the Government in this regard would reassure many cancer charities, patients and Members.

Finally, we are in danger of presenting the argument as "all that exists in the current NHS is bad or failing," versus "all is sacrosanct and we cannot touch it." Neither is true, in my opinion. Let us keep what works, protect it and strengthen it. That is what we are about, but let us remove what does not work and be brave enough to replace it. Do we want to give the Bill a Second Reading, find out more and examine it further, or do we want to turn against change and take the easy road? That would be the real risk. I will support the Bill in the Lobby tonight.

7.51 pm

Emma Reynolds (Wolverhampton North East) (Lab): There is much disquiet and concern among health professionals about the speed and scale of the reforms outlined in the Bill, with various respected organisations warning that they are a "significant risk" and "could be disastrous".

It is important to see the Government's plans in the context of the progress and the health legacy that this Tory-led Government inherited from Labour—patient satisfaction in the NHS at record levels, a world-class public service transformed by Labour, record numbers of doctors and nurses, and new hospitals. Contrary to some of the claims from the Government Benches about the statistics, survival rates for the most serious conditions are improving, and we will have the lowest mortality rates of any European country for heart disease by next year. The Government would do well to recognise this progress.

One of the Government's central arguments is that massive restructuring is necessary to drive efficiencies in the NHS. I beg to differ. By overhauling the system, the Government are putting at risk the very drive for efficiencies that we support. According to the Royal Society of Physicians,

"Achieving both efficiency savings and reorganisation simultaneously will be an unprecedented challenge for both commissioners and providers".

In government we recognised the efficiency challenges that we faced in the NHS. That is why in the last Labour Budget the Department of Health committed to £4.35 billion of savings over two years, with a further commitment to save £20 billion in the next five years. We demanded that primary care trusts reduce their management costs by 30% over a three-year period. The choice between doing nothing or modernising the NHS is a false choice, as I think the Government know.

Evidence from the previous reorganisation suggests that the disruption will extend well beyond the period of the reform. Even one of the Government's Back Benchers, the hon. Member for Totnes (Dr Wollaston), a GP herself, has said:

"To my mind, it felt a bit like someone had tossed a grenade into the PCTs. These people have so much uncertainty about their position that they are haemorrhaging in a rather uncontrolled fashion."

The transition process is not only disruptive, but will undermine efficiency and quality. This risk was recognised by the National Audit Office in its report, where it said that the previous government's initiative, the so-called quality, innovation, productivity and prevention programme, is at risk because of the overhaul proposed by the present Government. What is more, their obsession with driving down costs using price competition carries a very real risk of decline in the quality of care, according to professional organisations such as the BMA, the Royal College of Nursing and the Royal College of Midwives.

Mr Graham Stuart: The hon. Lady is giving a powerful speech, making the case that every Government must look for efficiencies and suggesting that the previous Government did. One of the key failings under the previous Government, who did see improvements in the NHS with vast increases in expenditure, was on productivity. According to the National Audit Office, which the hon. Lady just mentioned, productivity, after improving in the 1990s before Labour came to power, fell during the Labour years, despite the massive investment of additional funds. Turning that around is the central challenge for this Government. What views does she have about how best that can be made to happen?

Emma Reynolds: I have already said that we on the Labour Benches recognise the need to drive efficiencies and, as part of that, we recognise the need to increase productivity. We made massive strides in the 13 years that we were in power, and Government Members would do well to remember that.

The allocation of resources in the NHS is all about economics and the tension created by infinite demands and finite resources. Difficult questions that are at the heart of commissioning need to be answered at a macro level—questions such as how do we value the improvement or lengthening of one person's life compared with another's; and what is the cost of investing in one drug compared with another or with an existing treatment? These are not easy questions to answer, and clinicians are making decisions at a micro level.

Faced with a limited budget, clinicians will call for more resources to be allocated to their field. Oncologists will argue for a greater share of the budget to be spent on cancer treatment. Paediatricians will argue for more money for paediatrics. As well as prioritising primary care, GPs might well bid for more resources for treatment or minor surgery that their practice offers—a potential conflict of interests against which the Bill does not safeguard sufficiently.

GPs are trained to be advocates of their patients, and rightly so, treating them as individuals, not as a particular percentage of the population. Their training does not equip them with the tools to make the tough, unpopular decisions about the allocation of limited resources. Perhaps in his winding-up speech the Minister will tell the House what percentage of GPs he thinks have had to grapple with the complexities of the modified Portsmouth scoreboard or the quality-adjusted life years measure. Those are the instruments used day in, day out by people who make commissioning decisions.

As my right hon. Friend the Member for South Shields (David Miliband) said so eloquently, the choice is not between reform or no reform. We are not against reform or driving efficiencies, but we are against the ill-considered, costly, reckless reform contained in the Bill, which will undermine the drive for efficiency, jeopardise quality of care and fails to take into account the fact that GPs do not have the expertise or the training to make the macro-level decisions on the allocation of resources.

7.58 pm

Nicky Morgan (Loughborough) (Con): Thank you, Madam Deputy Speaker, for allowing me to contribute to the debate on a Bill that is essential to implementing the coalition Government's policies. I had intended to say what an excellent debate we have had so far, with some thoughtful contributions from all parts of the House. The hon. Member for Wolverhampton North East (Emma Reynolds) made a thoughtful contribution, but I am afraid the hon. Member for Eltham (Clive Efford) let his side down completely with his offensive remarks about how Government Members view the national health services.

Although she is not in her seat, I congratulate the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) on her contribution to the debate. I did not agree with it, but she gave her speech extremely well.

I welcome the Bill. It is essential that more power is given to front-line doctors, who are best placed to understand patient needs. It is a tragedy that Opposition Members seem to think that GPs are not capable of stepping up to the mark and taking on those responsibilities. From the conversations that I have had with my GPs, I do not understand why the Opposition believe that; they will be proved wrong.

I support the focus on clinical outcomes. I think that GPs are interested in taking on commissioning and the proposed changes. Three consortia in Leicestershire and Rutland have stepped forward so far. My primary care trust is working extremely closely with them, particularly on transferring community services, and I welcome their close working relationships.

The GPs commissioning arrangements will mean that GPs listen to what patients want. GPs will be responsible for community services in Leicestershire and Rutland, including the walk-in centre in the middle of Loughborough and out-of-hours services, which have not been mentioned in the debate. One of the things that patients feel most passionately about is the fact that some GPs, particularly in the part of the country I represent—I cannot speak for everywhere—are not responsible for delivering out-of-hours services. What patients say to me more than anything else is that when they call someone in the middle of the night, they want their GP or someone who has access to their records to answer the telephone, not a call centre.

Anne Marie Morris: I absolutely support what my hon. Friend says. I have the very good example in my constituency of Devon Doctors, which is effectively a not-for-profit organisation that provides all the out-of-hours service and gives the people of Devon exactly what she has suggested.

Nicky Morgan: I entirely agree with my hon. Friend. It just shows that GPs, if they are given the responsibility, will step up to the plate and deliver what their patients need.

In the limited time available, I wish to focus on what the proposed changes will mean for mental health services. I speak as a member of the all-party group on mental health, and as someone with a family interest in mental health issues. The NHS in England spends more on mental health services than on any other disease category, including cancer and heart disease, and one in four people will experience mental ill health at some point in their lives. The public health strategy has so far not been mentioned in the debate. I entirely welcome the Government's emphasis on public health and the emphasis on good mental health as well as good physical health. I recently spoke with Charnwood mental health forum, which is based in my constituency, whose members told me that prevention of mental health problems and supporting people who are perhaps heading down the road to depression and more serious conditions is incredibly important.

There are four keys areas that I want to mention in the time available. My first point, which has already been mentioned by the Opposition, is that we must ensure that GPs get proper support to commission effective mental health services and other specialised services. That support can come from the national commissioning board, third sector organisations and

patients. That is why I think GPs will step up to the plate, because they will ask their patients and listen to them when designing and commissioning services.

A recent Rethink survey of GPs found that 31% of GPs did not feel equipped to commission mental health services, compared with 75% who felt that they could commission diabetes and asthma services. It also revealed that 42% of the GPs said that they had a lack of knowledge about specialist services for people with mental illness, and 23% said that they had a lack of knowledge about mental illness in the first place. I will cite a recent case study from my Loughborough constituency, in which I was told that one of my constituents was suffering from complex mental health conditions, but his GP appeared to have no knowledge of personality disorders and saw the problem as largely behavioural. The relationship between the constituent and the GP deteriorated and therefore the local Rethink carers group stepped in to help find another GP. With consortia, a GP in a different practice could have that specialisation, and the first GP, realising their limitations, could speak with that other practice and engage with carers groups, such as Charnwood mental health forum or Rethink to ensure that there are special services available for patients.

Emma Reynolds: Is the hon. Lady as concerned as I am that a recent survey by Rethink showed that 95% of GPs did not feel that they had sufficient expertise to commission mental health services?

Nicky Morgan: I was just talking about that, but the point that has been made is that GPs do not feel that they necessarily have the specialist skills to commission mental health services. That says not that the underlying plan set out in the Bill is wrong, but that GPs recognise their limitations. From the conversations that I have had with GPs, I think that they will know where to go to commission those services and they will get the support from the national commissioning board.

Hugh Bayley: Will the hon. Lady give way?

Nicky Morgan: I am afraid that I must make some progress.

My second point relates to joined-up care, which carried on from my previous point. People with mental health problems have complex needs and need a clear pathway of care, which might involve the GP, psychiatric care at secondary care level, a social worker and community support services, such as drop-in services. That is essential, and that is what we want to see happen in the NHS.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I applaud the hon. Lady for making such an excellent case for mental health services, but I would like to pick up on a point about expertise. Under the new arrangements for consortia and the massive expansion in programmes, who will provide the funding? Will it be via town halls or local authorities for care at community centre level?

Nicky Morgan: There is already some excellent provision in Leicestershire. I hear the hon. Gentleman's point, as, I am sure, does the Minister. I am sure that she and her colleagues will look at that in the debate and in future.

I support the "any willing provider" model, which was first introduced by the previous Government. It is often patients with mental health issues who benefit from care at different levels and with different therapies, but it does not all have to be at primary or secondary care level. As I have mentioned, there are organisations, such as Charnwood mental health forum and other drop-in centres, that offer excellent services, and they must be part of GP commissioning and the services that will be provided under the new arrangements set out in the Bill.

Finally, I wish to look at public health involvement through HealthWatch and the local health and wellbeing boards, which is critical. We must ensure that there is broad representation in those organisations. Research from Rethink has shown that stigma and discrimination affect nine out of every 10 people with mental health problems. The boards and those organisations must ensure that the most vulnerable patients are listened to. At a recent meeting of the all-party group, one of the contributors said:

"We all have mental health—it just depends how good ours is."

Mental health has for too long been a Cinderella service. I am confident that that will not be the case under the new structure because GPs will do their best to understand it or, if they do not, will get in appropriate services. I support the Bill and look forward to hearing how the points I have mentioned will be addressed. I also look forward to the unveiling of the national mental health strategy, which I understand will happen later this week.

8.6 pm

Malcolm Wicks (Croydon North) (Lab): The status quo in British health care is certainly no serious option. Improving the NHS is, of course, a continuing challenge, not least because of the ageing of our population, rising medical costs in many sectors and rising public expectations, which are sometimes fuelled by information on the internet. If one adds to that the new public health agenda and the need to bring health and social care into better alignment, one can see the scale of the challenge. However, that is not to say that a top-down reorganisation is the answer.

I want to ask Ministers some specific questions about how the Bill will impact on some of the values and underlying principles of the NHS. The first is the principle that the health service should be based on need, not income or wealth, which is perhaps the essence of the NHS. How do the proposals relating to private patients in hospitals relate to that ethical principle? The proposal is to remove any limit on the use of NHS beds and staff to treat privately paying patients. Unless the Government somehow envisage surplus hospital resources, spare staff and empty beds—a far-fetched proposition—will not more private patients create longer waiting times for NHS patients and/or poorer care? What is the Minister's judgment on that?

My second question concerns the profit motive, which jars, at least for many of us, with the principle of patient care. Will Ministers confirm that private companies might in practice commission on behalf of GPs, possibly including US companies, while other companies will be awarded contracts? Have I understood that correctly? What is to stop companies competing on price for

[Malcolm Wicks]

relatively straightforward procedures, perhaps initially cherry-picking as a loss-leader while leaving NHS hospitals with, frankly, the more difficult medical territories? What proportion of the NHS budget might effectively be in private hands? Of the £80 billion annual expenditure that we hear about, what sums might end up as profits for private shareholders? Ministers must have some idea of the answers to those questions, so I would be pleased to hear their answers or guesstimates.

Margaret Hodge: Does my right hon. Friend agree that there is another issue with privatisation? If a private, BUPA-run, hospital that provides health care gets into financial difficulties and is forced to close, does it not behove the commissioning body—the publicly run commissioning body—to take over the failing private hospital to ensure that the designated services are available to local people? Is that not an outrageous way of using public money?

Malcolm Wicks: Certainly, I can see that the commissioners might feel that someone had to look after the patients, and the financial implications of that pose another question for Ministers.

Given that the Bill allows for the new commissioning board to make payments to a commissioning consortium if performance is good, what happens exactly to that payment? Who benefits from it? Does it go to improved patient care, which is fine, or to bonuses for those working in the consortiums—the GP practices?

My third set of questions concerns accountability and parliamentary oversight. In this brave new world of competition, profits and privatisation, with the fearsome economic regulator, where does the NHS buck stop? Is the Secretary of State still responsible? Is he or she still accountable to this Parliament? If not, who is? If my Croydon constituent has to wait too long for surgery, are Ministers accountable? Can I ask questions? Will I get answers? If constituents cannot access mental health services, can MPs still expect Ministers to intervene and to act? Are they accountable? Will Parliament and public still be able to access the information, the data, the monitoring and the evaluative statistics to comment on performance? Is the publication and integrity of health statistics guaranteed by the legislation?

A further question concerns the relationship between patients and GPs. The Secretary of State and his colleagues wax lyrical about how decisions will now be taken by GPs and patients, and I remember that refrain during the general election, but what exactly does that mean for patients? How will those decisions be taken by patients as well as by GPs? How will patients be involved in commissioning? Will they be part of the commissioning body?

Moreover, will GP commissioners meet in public, like primary care trusts? If not, why not? Where is the accountability? If a patient wishes to complain about services, to whom do they complain—to their own GP, who does the commissioning? Where is the patient's complaint procedure in all that?

This Bill—*[Interruption.]* There is no point in the Minister just whispering at me. We have a winding-up procedure, whereby serious questions can be answered—I would hope—rather seriously by the Minister. *[Interruption.]* She has not wound me up so far.

The Bill is somewhere between a relapse into market ideology and an untried, untested leap in the dark. For the national health service, it is a fearful time. As we have heard, the Government wish to cut public expenditure, yet they are embarking on this top-down reorganisation that no responsible body seems to welcome.

The Bill will also be shown to be a fearful leap in the dark for the Conservative party, just when in recent years it has been making some headway in convincing the British public that the national health service might be safe with it. It is a fearful step for the Conservatives, and they will learn that in the coming years.

8.14 pm

Andrew George (St Ives) (LD): It is a pleasure to follow the right hon. Member for Croydon North (Malcolm Wicks) and his encyclopaedic questions. I am sure that, from his many years as a Minister, he knows the kind of comprehensive answers that he would like to receive from Ministers. Indeed, I should be interested in some of those answers, so I congratulate him on asking those questions.

Perhaps I should inject a short note of levity into what has been a serious debate so far. I do not have the timing or skills of the late, great Tommy Cooper, but he once told a joke that goes roughly along these lines. A patient runs into a doctor's surgery and says, "Doctor, doctor, I think I've broken my arm. Can you mend it?" The doctor looks at the arm and says, "Yes, I think I can mend it." Then, the patient says, "Doctor, doctor, will I be able to play the piano?" And the doctor looks carefully at the arm again and says, "Yes, I'm sure that you will be able to play the piano." To which the patient says, "That's great. I've always wanted to play the piano."

Doctors often use that joke to emphasise the unrealistic expectations that people have of them, and I have come to the conclusion that there are some unrealistic expectations in the Bill. It is well intentioned and not, as the hon. Member for Eltham (Clive Efford) and others have argued, generated out of malice, dogma or—clearly—ineptitude, but Ministers have perhaps allowed their enthusiasm to get the better of them. There can be no disagreement with the principles that underpin the Bill, in particular greater clinical and patient involvement and driving the quality of innovation, albeit through a number of, admittedly, rather debatable measures. Those are pretty unarguable "motherhood and apple pie" principles that ought to underpin such legislation, but many people are concerned about its timing, when all parties agree that the NHS faces one of its biggest ever challenges: the biggest savings it has been asked to make in its 62-year history. At the same time, however, I see the measures as the biggest shake-up of the NHS in its 62-year history. The Bill is well intentioned, but for it to proceed and not damage the NHS it needs further major surgery in Committee before it returns to the Chamber for Report and Third Reading.

We need to look at reforming the reforms themselves as part of a constructive approach to engagement. It is not that PCTs are the be-all and end-all of future health service delivery; far from it. No one will die in a ditch to defend them, but, given the institutional architecture that they have provided, after many years of coalescing around and amalgamating the primary care groups that were their heritage, we should establish the default

position of assuming that we stick to that coterminosity and structure and then graft on wider clinical involvement. Many GPs in my constituency clearly tell me that they are going ahead with the measures before us more out of resignation than enthusiasm for solely GP-led clinical involvement in commissioning. A lot of them are telling me clearly that they want wider clinical engagement. If there are already 141 pathfinders covering just half the population of this country, at the very least there will be somewhere in the region of 300—that is, 300 chief executives against 152. There is a risk that that will generate a great deal more bureaucracy than exists at present in the PCTs.

I am not persuaded by the level of democratic accountability of the wellbeing boards. Monitor will set a maximum tariff and then promote competition, which could easily put quality at risk for the sake of price. That view is shared by many authoritative bodies.

Many questions still need to be addressed—protecting the integration of services, ensuring the accountability of Monitor and looking at the power of the NHS commissioning board. For those reasons, and a number of others that I do not have time to explain, I cannot support the Government this evening.

8.19 pm

Rosie Cooper (West Lancashire) (Lab): I am delighted to follow a fellow member of the Health Committee. I, too, am looking forward to the answers to the very many questions asked by the Select Committee that were not answered comprehensively. The issues have been elucidated today by my right hon. Friend the Member for Croydon North (Malcolm Wicks) and my hon. Friend the Member for York Central (Hugh Bayley), so I will not rehearse the arguments again.

I fear that today marks a watershed in the future of the NHS, and I say that as one who has proudly dedicated 30 years of my life to the service. Today is the day that the broken promises of the Tory-led Government will lead us down a path that, sadly, will end with a broken NHS. I characterise the Department of Health's policy position on the most far-reaching reforms since the inception of the national health service as, "Don't ask us about the detail; we haven't made it up yet." I am not sure what is more worrying—not having the detail or now seeing an outline of what the Tory-led Administration plan to do with the national health service.

I do not know why it took so long to bring the Bill to the House. It cannot be because of extensive consultation and discussion with professionals and advisers, because we cannot seem to find any body willing to own up to advising or having had discussions with the Secretary of State about the future direction of health services. If he had had such discussions, he would have heard the resounding message that his reform package is not what the NHS needs right now.

We should have built on the best in an evolutionary way. Instead, the Secretary of State has inflicted on the NHS a massive structural change while it has to cope with the Nicholson challenge, which we are led to believe are the 4% compound cost savings for the next four years. As David Nicholson acknowledged to the Health Committee, the scale of the productivity challenge is huge and has never been done on this scale either in the NHS or elsewhere in the world, and it is all taking place during a transition into the new NHS commissioning world.

It now transpires that the feat that the Health Secretary set for the NHS has been made even more improbable—some might say, impossible—to achieve because of decisions being taken below the radar. For example, there is the reduction in the market forces factor, which means a reduction in some NHS hospitals' budgets. Instead of the 4% that the Government have talked about, the reality of the cuts to some hospital budgets is closer to 5%, and perhaps even 5.5% in some cases—mission impossible.

At the same time, we hear about wards having to be closed because of budget cuts. The NHS Confederation says that some hospitals might need to close under the reforms. Yet this weekend's newspapers talked about the Department of Health having meetings with private sector providers who have 10,000 beds at their disposal.

When will the Secretary of State stop peddling myths and start dealing with the reality, before it is too late for the NHS? The Bill will deliver a service that is low on accountability and high on autonomy. I do not have time to go into this in detail, but I am certainly not persuaded by the accountability measures in the Bill. I am not convinced by the wellbeing boards, local healthwatch or national HealthWatch. We have no evidence that they will be able to deal with accountability or respond to patients themselves. The issue is very clear. If we as Members of Parliament want to ask questions, whom should we ask?

As far as I am concerned, the Secretary of State has a nice little soundbite that he often wheels out—"No decisions about me without me". Government Members have stated that over and over, but have not demonstrated any evidence base for it. To me it is clear: the fundamental principles of the Bill are about taking decisions "about me without me". I am really not persuaded by the democratic accountability provisions. A whole series of decisions have already been made about my health care, our health care and this nation's health care—and they have been made without us.

It has taken until today for us to be able to debate these proposals properly, and in six minutes I am not able to deal with the points that I should like to cover. This Bill comes to us now after many of the fundamental decisions have already been taken and are being implemented. It is a set of short-term measures that will have long-term consequences for the future of the NHS, the quality of health care, and the accessibility of services available to people in communities across this country.

The Prime Minister and the Secretary of State deny breaking their promises, but like the emperor and his new clothes, they can fool themselves for as long as they like, but they are not going to fool the people. As people's services disappear, as they wait longer for their operations, and as things get more difficult, they will know who to blame, and Government Members will really need to worry about it. Last time I spoke in this Chamber on health matters, I accused the Secretary of State of glibness; today, I accuse him of hubris.

8.25 pm

Dan Byles (North Warwickshire) (Con): I am grateful for the opportunity to speak in this debate, and declare an interest in that my wife is a general practitioner.

[Dan Byles]

It is an oft-stated fact that the NHS holds a special place in the hearts of British people. That is why it is so important that this vital institution is managed effectively and sustainably so that our children and grandchildren can continue to use and rely on it in the years to come. However, the problem with the cherished position that the NHS holds is that it makes it difficult to discuss and debate its future dispassionately. It is extremely important that we in this House are able to discuss NHS reform sensibly and without the hyperbole and hysteria shown by the shadow Secretary of State in his opening remarks and by the hon. Member for Eltham (Clive Efford), whose frankly disgusting remarks were not worthy of this Chamber.

The previous Government, who undertook considerable, frequent and, dare I say it, well-intentioned reorganisations of the NHS, found that each reorganisation was opposed by a variety of interests for a variety of reasons. Although they spent too much time reorganising the bureaucracy of the NHS, and generally adding to it on each occasion, I welcomed some of their reforms and am happy to say so, with the notable examples of foundation trusts and the greater involvement of private and other providers. In too many cases, however, previous reforms took the form of shuffling the management deck chairs. Strategic health authorities and primary care trusts were reorganised and reorganised again, often before the ink at the top of the old letterheads had dried, while the number of bureaucrats soared relentlessly.

The challenges faced by the NHS are considerable, and to deny the need for further change is dangerous. Cost pressures within the NHS are rising. This has, in part, been driven by the blunt way in which the previous Government pushed up health spending without insisting on robustly improving outcomes alongside that increased spending. As a result, we have seen productivity fall—a trend that must be reversed if the NHS spending model is to be sustainable. That health care inflation has also been driven by outside factors. Costly new drugs and treatments, coupled with an ageing population, have created serious challenges and will continue to do so.

A hard-headed analysis of these demographic changes has led the coalition Government, rightly, to commit to ring-fencing the NHS from Government spending cuts and guaranteeing real-terms increases in NHS spending—a commitment, I might add, not matched by Labour. With the privilege of a ring-fenced budget comes a responsibility on the side of the NHS to maximise productivity and efficiency to ensure the best possible clinical outcomes for patients within that budget settlement.

Mr Anderson: If it is a ring-fenced budget, why does the Royal College of Nursing believe that there will be 27,000 fewer nurses in a year's time?

Dan Byles: The NHS budget is going up in real terms every year, as the hon. Gentleman can see by looking at the books. We are all aware that the system we inherited had ongoing problems because of the high management costs and other structural problems within the NHS. There will be no shortage of nurses as a result of any underfunding by the current Government—I can assure him of that.

Stephen McPartland (Stevenage) (Con): Does my hon. Friend accept the figures from the Royal College of Midwives showing that in 1997 there were more midwives than managers in the NHS, and in 2009 there were 18,000 more managers than midwives?

Dan Byles: I am grateful to my hon. Friend for making the point exactly. The NHS cannot carry on with management levels and layers of bureaucracy of the kind that the previous Government put in place. With an ageing population, it is even more important that the largest possible slice of the NHS budget is spent on patient care, and as little as possible on management and administration. Reform of the commissioning process is central to that.

The Bill has been criticised by Opposition Members for doing something that Government Members have been critical of in the past: reorganising the management structures yet again. However, anyone who looks at the Bill honestly and dispassionately will see that it does not reorganise NHS management structures, but sweeps away a whole tier of NHS management structure. It is not another round of shuffling the management deck chairs, but a bonfire of some of those management deck chairs. I strongly welcome the fact that the Bill abolishes primary care trusts and puts general practitioners in charge of commissioning services on behalf of their patients. I criticise nobody who works within PCTs, but I freely criticise the structure that puts health care commissioning in a bureaucratic body that operates at arm's length from patients and doctors.

I am conscious that many hon. Members still wish to speak, so I will draw my remarks to a close with one plea to the Minister. I understand that under the new GP commissioning process, GP consortia will, in effect, be given control of two budgets: the budget for clinical services and a small budget to cover the management costs of taking over the commissioning process. I also understand that they will not be permitted to transfer unspent funds from the management budget to the clinical budget. If my understanding is correct, I urge the Minister to reconsider that restriction. In giving the consortia a budget for management that cannot be transferred to the clinical budget, there is no incentive for them to drive down their back-office costs. For the process to work most efficiently, GP consortia must have an incentive to drive down their back-office costs in the knowledge that it will allow them to spend more on their patients. To do otherwise gives the incentive to use up the management budget regardless of need—to hire that extra secretary, not because there is a need, but because the budget is there to do so. Such unfortunate incentives from central Governments over the years have led to many productivity problems throughout the public sector and to a use-it-or-lose-it culture. I urge the Minister to look again at that restriction, which seems to go against the new culture of efficiency and responsibility for budgets that we are trying to instil across the public sector.

8.32 pm

Margaret Hodge (Barking) (Lab): I speak both as Chair of the Public Accounts Committee and as the MP for Barking. As PAC Chair, my concerns have not been allayed by the evidence sessions that we have held on these issues. I do not want to be saying in three years' time, "I told you so." I urge the Government to think

again before they introduce changes that have not been thought through properly, that are incredibly risky, and that could result in long-term damage.

There has been insufficient focus on the risks of the changes. The NHS chief executive said in evidence that

"the risk is higher. If you try and reorganise, the risk becomes higher. I think we'd be kidding you to say that it wasn't".

Making Monitor an economic regulator forces it to concentrate on competition, not quality. Its purpose will be to drive down costs, not drive up health outcomes. If the spotlight is on price, the risk is that patients will lose out. The NHS chief executive agreed in his evidence that lowering tariff prices could endanger patients. Opening the health market to any willing provider will undermine the viability of many NHS foundation hospital trusts, which face immovable fixed costs, such as their private finance initiative costs. Again, that risk has not been assessed properly.

The Government appear to be driven by an ideological mission. The NHS needs pragmatism, not dogma. I fear that there is no firm grip on the costs of reform. The NHS already faces the unprecedented challenge of finding £20 billion of savings and its record is poor. Over the past decade, despite assurances to the Treasury, NHS productivity declined, with hospital productivity declining by 1.4% annually. The NHS should therefore concentrate its efforts on the enormous financial challenge, and should not be diverted by an unprecedented organisational challenge. Quality and productivity, not reorganisation and privatisation, should be the priorities.

Robert Flello (Stoke-on-Trent South) (Lab): My right hon. Friend is making a good-quality speech, as usual. Surely in areas such as Stoke-on-Trent, where the cost of laying people off in the PCT will be tens or hundreds of millions of pounds, the risks that she describes already exist.

Margaret Hodge: Indeed, and I was going to come to that point. As I understand it, Ministers have set aside £1.7 billion to finance their reforms, but as my hon. Friend says, if the costs of redundancy are higher than planned, or if people carry on attending A and E rather than seeing their GP, the costs of reform will spiral and front-line services will have to be cut. I am not convinced that Ministers have transition costs properly under control.

Nor has anybody sorted out to our satisfaction the issue of accountability for public money. For instance, foundation trusts are supposed to be directly accountable to Parliament. With 167 trusts accountable to the PAC and the House, if there is financial failure or poor quality of care, will that accountability be good enough? In the past, Monitor could sack the board of a trust, but under the Bill it will lose that power. How can we hold the permanent secretary to account when there is a plethora of new quangos or new responsibilities for quangos? We have to know where the buck stops. I seek Ministers' reassurances tonight that there will be clear, practical accountability that enables Parliament to hold the Executive to account.

The Government do not have effective plans to deal with failures, and there will be failures—hospitals bankrupt, GP commissioning consortia overspending. Ministers must explain how they will deal with failure, so that local services will be maintained even when trusts and consortia collapse. So far, officials have been unable to provide us with the confidence that we need to feel that the Government have got a grip.

That matter is of particular importance to my constituents. For years, our NHS trust has been in terrible trouble, and last week it was named and shamed by the Audit Commission for systematic failure on its finances. It has failed to balance its books for years, and it has a projected deficit of £29 million this year. The quality of care has deteriorated, too. In the week of the general election, 99% of people at our King George A and E and 92% at Queen's hospital were treated within four hours. By 2 January this year, that had dropped to 83% at King George and just over 61% at Queen's. More than 1,000 people were forced to wait for more than four hours, ambulances were queuing around the block and all but the most urgent cases were turned away. In one case, a patient died because she was sent home.

That hospital trust is not fit to become a foundation trust. Despite a stream of new chairs and chief executives, the underlying problems persist. Now, the only answer that NHS London has is to try yet again to close the A and E at King George. That is health vandalism at its worst, with patients' needs sacrificed at the altar of financial cuts.

What would happen to my constituents under the proposed NHS reforms? King George A and E would go, forcing my neediest and poorest constituents to spend hours on three buses to get to a hospital. Queen's hospital would become unviable, and what then? Where is the local hospital ready to meet local needs? Who would want to consider merging with a hospital trust struggling with an impossible financial burden, and even if anyone did, would they ensure that our services remained local? The current health care reforms should put the patient at the heart of the NHS, but it does not feel like that is happening in Barking. I urge the Government to think again before they act to damage the health care of the people who need it most, the people I represent here in Parliament.

8.39 pm

Dr Sarah Wollaston (Totnes) (Con): It is easy to see why politicians continuously want to fix the NHS. The perspective from the green Benches is very different from the perspective one gets as a GP—I say that having worked in the health service for 24 years. My surgeries and postbag, and I am sure those of other Members, are full of stories of delays, frustrations and sometimes really poor practice. The trouble is that not enough people write to their MP to tell them how sensitively or compassionately they have been treated, or how the NHS saved their life. They do feel those things, however, and they do appreciate the NHS. That is why they are understandably wary of any changes, proposed by whatever Government.

Here are the things in the Bill that I welcome. I really welcome clinical leadership. We should be in no doubt about this: there is clear evidence that commissioning works best when there is clinical leadership backed up by excellent management. The Bill will go some way to pushing us towards true clinical leadership in all parts of the NHS.

The provisions will also result in an information revolution. That will involve information about not only whether someone's treatment worked but what the

[Dr Sarah Wollaston]

experience was like—a kind of TripAdvisor for the NHS. We all know that, with information, daylight is the best disinfectant. If people know that their performance is going to be compared with that of others, that is likely to drive up performance in the NHS.

The provisions will allow for that early scan that can make all the difference in an early diagnosis of cancer. When GPs can commission very good early diagnostics much more quickly, we will see a difference. The changes will also give GPs much greater flexibility to respond to their own area. In Devon, for example, community hospitals are really important, but they might not be so important in inner cities. The provisions should also give better choice to services such as mental health, and bring in opportunities for the voluntary sector. I recently met a group of carers for patients suffering from mental health difficulties, and they told me that they wanted better access to talking therapies. Rather than the support that has traditionally been supplied to them, they want better access to other kinds of support. I also really welcome putting public health back where it belongs, with local authorities.

Our spending now matches the European average, and I genuinely congratulate the Labour party on that, but I am afraid that that has also been a wasted opportunity. It is unforgivable that so much of that money was squandered, and that we have seen flat-line productivity. For that level of spending, patients should be able to expect the kind of services that people receive in France or Germany. I am sure that we have all heard instances of people coming back from a holiday on the continent with a minor condition, having had a scan and treatment within a week. We should be able to deliver that here. Health care workers should not have to spend three weeks chasing down a patient's results. I am sure that we have all heard instances of that, as well.

The challenge is to improve aspects of the NHS, to look at the detail, to listen to patients and professionals and to ensure that we get this right. In Torbay, they have been getting it right for some time. It has been part of a national pilot of integrated care. Baywide, a not-for-profit company of local GPs, commissions health and social care from a pooled budget.

Sarah Newton: My hon. Friend mentions GPs working together on a not-for-profit basis. Does she share my huge disappointment at some of the terribly derogatory comments made by Opposition colleagues about GPs' motivation, comparing them to the worst kind of bankers in the City? Is it not disappointing that they are so disrespectful to GPs?

Dr Wollaston: I agree with my hon. Friend. We have heard some terrible slurs about GPs profiteering and lining their own pockets. I am absolutely confident that that is not what we are going to see.

Torbay has been highly successful because it has pooled budgets and it can design integrated care. That saves lives and money. No one should be in any doubt that improving the quality of care, and thereby the quality of life, for those with complex, long-term conditions is the key to improving health care and cutting costs.

Andrew George: My hon. Friend talks about the role of GPs in cutting costs. I would be interested to hear whether, from her experience, she believes that the introduction of price competition—in which a maximum tariff would be set, below which there could be competition —will be helpful, or does she believe, as many authorities and other bodies do, that it is likely to put quality at risk?

Dr Wollaston: I am very confident, because I have discussed that question with the Secretary of State, who has assured me that the reforms are about competition not on price, but on quality. All doctors know that if they get it right the first time, they provide not only better care, but better value care.

GPs and PCTs throughout Devon are rolling up their sleeves and getting on with the job in hand, but to deliver the undoubted benefits of integrated care, they need to be able to work closely with colleagues in hospital, as well as with people in the community, to design those logical pathways. As I just mentioned, the Secretary of State has reassured me on the question of price versus quality competition, but it would help to spell out explicitly in the Bill that that will be protected. Professionals are understandably scared, and I hope the Minister will make the position absolutely clear in his winding-up speech.

Commissioners will not feel liberated if they are liberated from the Secretary of State but shackled to Monitor. Fundamental to the outcome of the reforms will be the powers of Monitor. I should like those powers to be carefully constrained in the Bill, so that it does not take on an unintended role. Focusing on quality and not on cost would help to bring all the professionals back into thinking that this is a positive step forward, because that remains a concern.

Mr Graham Stuart: My hon. Friend rightly emphasises quality ahead of cost, but surely both should be considered. In a time of constrained budgets, it is entirely right that commissioners use a service of comparable quality, which can deliver for patients at a lower cost, when they can find one, precisely so that they have additional funds available to look after other patients.

Dr Wollaston: I am confident that commissioners will consider the impact of those decisions across the health care spectrum, which is very important.

In the limited time I have left, I should like to ask the Secretary of State to consider how we will monitor the quality of primary care. Who will be responsible for performers' lists, audit, and identifying poorly performing doctors? As I understand it, all GP contracts will be held with the NHS commissioning board. What powers will GPs within consortia have to deal with those whom they feel are underperforming if they have no control over their contracts? What will be done about the ongoing, disgraceful situation regarding doctors from the EU with poor English skills, over whom we have few powers to protect patients until there has been a problem?

Professionals are also concerned about the make-up of consortia. Will they have the flexibility to include consultants and other specialists—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Time is up.

8.48 pm

Mr Geoffrey Robinson (Coventry North West) (Lab): I am pleased to follow the hon. Member for Totnes (Dr Wollaston), who speaks with a great deal of experience in such matters. The House will share her aspirations for the positive involvement of GPs in commissioning, for the improvement in the provision of secondary care by involving primary care, and for the organisation of primary care. Those aspirations may be shared, but the Government's hopes, and the evidence on which they are based, of carrying out this huge reorganisation and achieving its alleged aims are flimsy indeed.

In the history of Government-led reorganisations—it little matters whether they are bottom-up or top-down—this reorganisation is massive. The former Health Secretary, the right hon. Member for Charnwood (Mr Dorrell), referred to the view of the NHS chief executive. He said that the Nicholson challenge is to carry out successfully such a huge, large-scale reorganisation in the time proposed—the two challenges that need to be pulled off. I think I quote Nicholson accurately when I say that the first challenge is to do in four years something so massive that it can be seen from the moon—together with the great wall of China—and that that would be unbelievable. The second challenge—the other inherent part of the two-part challenge—is that that has to be done while achieving a 4% reduction in costs over four successive years; and

"To pull off either of these challenges would therefore be breathtaking; to believe that you could manage both of them at once is deluded."

I do not know why David Nicholson is still in his position. I do not know how the chief executive of the national health service can think that the Government must be deluded to put forward a proposal such as the one that the Secretary of State has proposed and remain in his place, but he clearly does not believe it. I do not want to cast any aspersions on the Secretary of State's mental health, although I note that the editorial of the last edition of the *British Medical Journal* read:

"What do you call a government that embarks on the biggest upheaval of the NHS in its 63 year history, at breakneck speed, while simultaneously trying to make unprecedented financial savings? The politically correct answer has got to be: mad."

Government collective responsibility obviously applies.

It is difficult to understand why the Secretary of State is going down this route, because there is no evidence that these sorts of reorganisations—top-down, bottom-up—in the health service or anywhere else bring the benefits, cost reductions and performance improvements expected of them. If any Government Members want to correct that, I will willingly give way, even in the limited time available. However, there simply is no evidence for it. Indeed, the National Audit Office, in looking at nine reorganisations carried out in the last five years of the Labour Government, found no evidence at all. They all cost far more, and the benefits, so far as they could be identified, were much less.

Similarly, it is pretty obvious that the something like 15 structural reorganisations, particularly in primary and secondary care in the health service, were not successful either. We only have to read through them. Kieran Walshe has described the bewildering array of forms and structures put in place to run primary care and commission secondary care—*[Interruption.]* I see that anybody who does not agree with the Secretary of State is dismissed automatically—that is a sign of hubris and is not a good approach. A similar approach was taken towards Professor Appleby, who was dismissed as someone of no importance. Yet these are people who are looking at the facts—Appleby looked at improvements in the health service. The conclusion is that

"there have been family practitioner committees, health authorities, GP fundholders, total purchasing consortiums, GP multifunds, primary care groups, primary care trusts, and external commissioning support agencies."

I freely admit that a lot of those came from the Labour Government. However, I cannot imagine why the Government refuse to learn from our mistakes. That applies also to one of the most serious developments in this whole proposed reorganisation relating to the introduction of price competition. It is feeble of the Government Front-Bench team to say, "Well, your Government intended to do it, so we are going to do it." They spend hours every day criticising everything the Labour Government did. This is one thing they did not do—apparently they intended to do it—but suddenly it is so welcome that the Government insist on doing it. The fact is, however, that it will happen.

We have a huge change but with no evidence that it will bring any good; we have the fact that the NHS has to make savings that nobody believes will be achieved; and we have the fact that we are opening it up to competition. The position of the consortia becomes very questionable, as does the position of the NHS commissioning board itself. Other Members have raised these points. What sanctions have been provided for? To whom will the consortia report? Is the Secretary of State abdicating any responsibility for their performance? It is not clear from the legislation, as far as I can see—there are 61,000 words of it—what the Government's role will be in the control, functioning and performance of these new boards.

8.54 pm

Priti Patel (Witham) (Con): I am grateful for the opportunity to speak in this important debate. I congratulate the Secretary of State and his ministerial colleagues on this landmark piece of legislation, which I welcome for fundamental reasons that are specific to my constituency. This legislation will put patients and medical practitioners at the centre of the NHS, putting an end to the era of bureaucracy and mismanagement seen under the previous Labour Government. As my hon. Friend and neighbour the Minister will be aware, patients in my constituency have suffered for a considerable period. They have had their care compromised by the excessive layers of NHS bureaucracy that, as far as I can tell, the Opposition seem determined to keep. I have endless examples of where such bureaucracy has had a devastating impact on the very patients whom the NHS is there to serve.

Late last year I raised with the Leader of the House a case involving a teenage girl in my constituency who had been experiencing unacceptable delays in receiving an MRI scan. She was unable to eat, and basically went from being a healthy teenager to being completely bedridden. Despite needing the scan to help to diagnose her condition, she had to wait for more than a month while her case was being handled—incompetently, I should say—by administrators and managers. The delays were exacerbated by what the local PCT described to me as a "broken pathway". It was only after the matter

[Priti Patel]

had been raised directly with the Secretary of State in the Chamber that she received the scan and has since received medical treatment. However, the delays have compounded her illness. Three months later, that young lady is still in a critical condition. Cutting back on such bureaucracy, investing in the front line and giving patients and their doctors more power will prevent such incidents. Instead of managers hiding behind "broken pathways", we can have doctors held to account by their patients.

I also support the Bill because it will help my constituents to receive the treatment and the drugs they need. As the Secretary of State will be aware, in recent months two constituents of mine who suffer from multiple sclerosis have contacted me because two PCTs—Mid Essex PCT in one case and North East Essex in the other—have refused to allow them the prescribed drug Sativex on the NHS, yet both have prescribed the drug to other residents. My constituents' doctors have recommended the treatment, yet management and bureaucracy are again standing in their way, and in the way of common sense and the essential health care that my constituents need. Instead of receiving that treatment, they are now having to wade through a convoluted appeals process, which naturally makes them feel extremely despondent and disappointed, as the NHS, which they have supported through their taxes, is letting them down. They believed that they would get the care that they needed when they needed it, and never expected that the requests of their doctors could be ignored in that way.

I want the Government's reforms to be introduced without delay. Indeed, it will not surprise the Minister or the Secretary of State to learn that, as far as I am concerned, the abolition of the PCTs in 2013 is still a bit too long to wait. I would like it to happen sooner rather than later. I would therefore like the Minister and Secretary of State to accelerate the process and remove that fundamental layer of bureaucracy, which is a barrier to delivering positive health outcomes to my constituents. I would also like the Minister to ensure that PCTs play their part in facilitating an orderly transition to GP consortia, as he will be aware that Mid, North East and West Essex PCTs have come together to form a cluster, with one chief executive. It is now a large organisation that is responsible for a lot of public money.

I have since discovered that between now and 2013, those three PCTs have a target to reduce management costs—that is completely welcome and long overdue—by £13.9 million; they currently stand at some £37 million. However, I should add that that figure is still significantly lower than the £20 million of combined savings that were previously agreed for each PCT by the strategic health authorities. I mention that because that money would naturally make a fundamental difference—a tremendous difference—to those patients being refused treatment on the grounds of cost. When we hear the Opposition questioning whether GPs will be able to handle NHS budgets, they need look no further than the resource-intensive PCTs, which not only need to go, but frankly need to go sooner rather than later.

Because of the shortness of time, I want to highlight one more thing. It is irresponsible of the Opposition to justify the ever-increasing layers of bureaucracy that have been associated with the NHS. I welcome the Bill, which is long overdue. I want to see the patient's voice put first, greater accountability for public money and proper commissioning of local services. For a new constituency like Witham, that is vital when we face a crisis of out-of-hours health care provision. Fundamentally, the Bill is important because it will put patients first, which, as I said, is long overdue.

9 pm

Joan Walley (Stoke-on-Trent North) (Lab): I am pleased to speak briefly about this Bill; I know that many Members on both sides of the House still want to contribute to the debate. It seemed to me that not to speak in this debate would somehow mean not being true to the important issues surrounding the NHS. I have listened to the debate and heard some good constructive comments, but I do not think we have gained a sense of what the NHS was like when I was first elected almost 25 years ago. At that time, people simply could not get treatment because of the underinvestment during the years of the Conservative Government. As for the point about organic change and building on what has been done, it seems to me that this Bill, lengthy as it is, is doing away with the step-by-step improvements that have been made.

Robert Flello: I look forward to hearing more of my hon. Friend's speech, which I know will be to her usual high standard. Does she agree that, since 1997, Stoke-on-Trent has seen the building of the first new hospital for 140 years, a brand-new oncology unit, a brand-new maternity unit and health centres developing everywhere? Is that not real investment under a Labour Government, which never happened during the previous 18 years of the Conservative Government?

Joan Walley: What we have seen is the university college of North Staffordshire linked to the medical college at Keele. We have never before seen that kind of medical training going on outside London in areas like Stoke-on-Trent. Hayward hospital has been rebuilt and there has been investment in clinics and a huge increase in the number of staff. That does not mean just bureaucrats—like everyone else, I do not want to see unnecessary bureaucrats. I am talking about the number of health personnel trained to do their jobs and to treat people, which has been second to none—despite what the Minister says.

Mel Stride (Central Devon) (Con): In looking at NHS performance, should we not seek to compare ourselves with international equivalents today rather than with the past? If we look at coronary heart disease, for example, we find that we have twice the death rate of France, and we are also lagging behind the rest of Europe on cancer outcomes.

Joan Walley: I am coming on to public health, as it is the main issue on which I wish to concentrate.

Mrs Jenny Chapman (Darlington) (Lab): In response to the intervention on the recorded death rates from coronary heart disease in France, I want to observe that France makes much more frequent use of the "unknown" category in the recording of deaths. I have been led to understand that this goes some way towards explaining the apparent difference in death rates between the two countries.

Joan Walley: Statistics can be used in all kinds of ways. I remember the case of a young girl of six who could not get the heart surgery that she needed, even when we had invested in those facilities. The important role of public health is relevant to heart disease, and we need to focus on what can be done to prevent ill health. This Bill is very short on detail in that area, which is why I want to concentrate on it.

I want to stress that what we are seeing in this Bill is dogma. We are replacing the primary care trust layer with the GP layer, but the GPs will not be able of themselves to provide the clinical leadership of which we have heard. They will have to engage with equally bureaucratic agencies or companies to do that work for them. My fear is that the clinical leadership element will get lost when the new provisions come into force.

The provisions will not allow us to build on the work of the previous Government, which did so much to improve aspects of the NHS. I accept that the new Government have come into power and that they have a remit, but that means that they should get what they do right. I fear that what will happen as a result of the Bill will be destructive. I am afraid that it is also risky. We have already heard about the need for pilot projects. Why can we not wait for a proper evaluation of those projects before rushing ahead with a move that might cause us to throw out the baby with the bathwater? What safeguard will we have against that?

I fear that when the public realise that the Bill is not fit for purpose and will not achieve what is claimed for it, they will be not saddened but angered by the knowledge that they will no longer be able to raise issues for which the Secretary of State has previously had responsibility. The Bill will merely transfer responsibility, and it is easy to see who will have that overall leadership and where direct accountability will lie. The hon. Member for Stafford (Jeremy Lefroy) will probably wish to raise issues relating to Stafford hospital. It is important that when things go wrong in hospitals, there is full transparency. When everything is done on a commercial basis, that transparency will not exist in the new health service that the Bill will introduce.

The Government say that the Bill will end inequalities. I am old enough to remember the resource allocation working party, and the "distance from target" money that was to help areas such as Stoke-on-Trent which had received the least investment in health and experienced the most illness. I am not convinced that the Bill will continue that work. Stoke-on-Trent primary care trust is currently £30 million short of its target, and it is difficult to see how the Bill will make amends for that.

Realising as I do that the devil is often in the detail, I want to raise two more points. The first relates to public health. Speaking as an honorary vice-president of the Chartered Institute of Environmental Health, I am well aware that the public health consultation that has invited responses later this year will not be co-ordinated with the legislative changes in the Bill. Will the Government take account of the need for the institute to look in detail at the way in which public health will be integrated with local authorities across the board? That is critical if we are to improve public health services at all levels.

My second point relates to a private Member's Bill of mine. I have heard that, through the Government's Bill, the Prime Minister will require hospitals to improve nutritional standards. We all know that poor food leads to ill health. I hope that Ministers will consider the proposals in my Bill, and think about ways in which hospitals could serve high-standard food rather than food that is often linked to ill health. That in itself could make a major difference to people's health.

I have many other concerns which I have no time to mention, but let me say finally that it is not clear how the Bill will secure the investment in dentistry that is currently needed.

9.8 pm

Mr John Leech (Manchester, Withington) (LD): I am delighted to have an opportunity to speak, given the number of Members who wished to contribute. I will keep my comments brief.

We should all recognise that NHS staff do a great job in looking after our health and well-being, and are constantly striving to improve provision. I refer not just to front-line health workers, but to the office staff managers and professionals who are not always referred to so positively by either politicians or the media. However, we must also recognise that the NHS must continue to improve and do a better job in order to keep pace with rising health care needs. The question we must ask is whether the Bill will allow the health service to continue to improve.

Some positives have come out of the proposals. For too long, unelected officials have made decisions about local health care without listening to local communities, handing contracts for GP practices to private firms or even closing hospitals with local people locked out of decision making. In my constituency, under the previous Government, the PCT closed Burnage walk-in centre without any consultation. It said that this was to save money, despite the centre being more cost-effective than other walk-in centres in Manchester. This was part of the £20 billion efficiency savings demanded by the previous Labour Government. More recently, the PCT has temporarily closed Withington walk-in centre, again without consulting anybody who uses the service. So it is to be welcomed that the Government will not allow a service reconfiguration where the public have not been engaged and where it will reduce people's health care options locally.

It is also to be welcomed that private sector providers will be expected to appear before local authority health scrutiny committees—that did not happen under Labour's less democratic system. However, I urge the Secretary of State and Ministers that if private providers remain reluctant to participate, they should be mandated to appear before health scrutiny boards. Getting information on how providers are performing out into the open can only help to improve health outcomes and accountability.

The Lib Dem manifesto promised an end to the rigging of the market in favour of the private sector that we had seen emerge under the Labour Government. The Labour Government pushed for more NHS work to be given to private hospitals, regardless of local decisions on whether it was right for them. Much of the concern about the Bill centres on reforms being seen as being about the break-up of the NHS. Such a view is wide of the mark, because in many ways the proposals will level the playing field for the NHS, which was distorted under the previous Labour Government. They guaranteed that for-profit providers of elective surgical procedures running independent sector treatment centres

[Mr John Leech]

would be paid a certain amount, regardless of how much work they did, and allowed PCTs to make supplementary payments to new private sector providers to make services more attractive to new entrants. Unfairly stacking the system in favour of the private sector and against public provision was wrong. We cannot allow certain providers to be handed work regardless of what patients want and regardless of the quality of the services provided. I hope that the Minister will confirm that preferential payments and guaranteed payments for new private sector providers will end. Can he also confirm that there will be no target for the proportion of work undertaken by private sector providers, unlike under the Labour Government?

However, there are still areas of concern and many questions remain unanswered. I would be grateful if the Minister explained what will happen to existing PCT-owned provision? Locally, in Manchester, the Labour party has claimed that the PCT-run Withington community hospital will close under these proposals. Of course that is simply not true, but questions do remain over who will own and run the community hospital. When I met the chief executive of Manchester PCT, she made it clear that the new proposals give real scope for widening and expanding provision through the community hospital, but she remained unclear on the model of ownership. I would be grateful if the Minster cleared that up.

Unlike Labour Members, I have no ideological opposition to the idea of allowing hospitals to extend their private provision. Private provision has been extended at the Christie hospital, in my constituency, which is providing millions of pounds extra each year to be reinvested in NHS provision, which surely is a good thing. However, I would be grateful if the Minister assured the House that where private provision is extended, it will not be at the expense of NHS provision. We should allow hospitals to extend private provision—in addition to existing services and certainly not instead of them—so that more money can be reinvested in the NHS.

Questions also remain about the cost of the implementation of change. Manchester used to have three PCTs, but they were merged into one to save money. The new consortia will go back to using the "three model", and I am not convinced that that will save money. There is also a concern that intense competition for providing services that existing hospitals provide will take away resources and make it more difficult for NHS providers to maintain services or to invest in new technology and equipment. I have run out of time.

9.14 pm

Geraint Davies (Swansea West) (Lab/Co-op): I am glad to be called to speak at this hour, Mr Deputy Speaker. It is my joy to celebrate the achievements of the health service that was started by Nye Bevan from Wales and to celebrate the successes of the previous Government, such as the 2 million extra people a year who are now operated on, the 44,000 extra doctors and the 94,000 extra nurses. The question to ask is: why devastate and break a system that already works well?

The Bill risks stripping out the heart and mind of the NHS, in terms of equality and planning, and replacing it with a market of GP business consortia that will focus increasingly on profit maximisation through negotiation of the best prices, bulk purchasing and threatening to withdraw custom from hospitals that cannot survive without them. Huge health retailers will evolve with local monopolies over patient communities. It is all very well saying that patients will have choice, but there will be big consortia saying, "This is what is best for you—buy this", focusing on the areas of highest profitability. Those consortia might prefer to deal in cataracts rather than, for argument's sake, chronic conditions. They might choose to focus in certain demographic areas with different health trends. A business focus will be applied according to the returns that can be gained in different areas rather than simply focusing on what is right for each person.

Neil Carmichael (Stroud) (Con): Is it not possible that doctors' consortia will simply make the right decisions for patients, focusing on giving proper value for money and decent care and on responding properly to local requirements and needs? Would not that apply across the piste in terms of community hospitals and acute hospitals?

Geraint Davies: The taxpayer invests in GPs to provide medical and clinical excellence so that they can diagnose people's health problems. The taxpayer does not invest in them to become small business people who go around trying to maximise profit and work out rates of return on different sorts of health care. That is the problem with introducing privatisation and marketisation: the thought in the back of the business person's head is how to make money, not simply what is the best diagnosis. The customers whom GPs are facing—patients—are to a large extent ignorant. It is not like buying electricity from npower: patients do not know what is wrong with them. They are in the hands of their GP and they do not know whether what they have been prescribed—perhaps a cheaper drug that makes a higher profit but is not as effective—is right: they just have to guess.

Mr Graham Stuart: Rationing is inevitable in any system, but who should best do it? Should remote managers do it away from patients' needs, or should GPs do it in a way that involves managing and being aware of a budget but trying their best, within that budget, to deliver the best health outcomes for all their patients? Who is better—PCT managers or GPs?

Geraint Davies: A GP must always ask what the best treatment for the patient is rather than what the best treatment for their business's profitability is. That is why this is fundamentally wrong.

Neil Carmichael *rose—*

Geraint Davies: I shall not give way.

The Bill is setting up an incentive system that will make GPs make the wrong choices. It will return the NHS to a sort of pre-Nye Bevan, atomised system of health, rather than a planned system that uses resources efficiently. The system will lend itself, in the new era, to duplication, profiteering, businesses going bust and waste. What is more, there is no political mandate for the Bill; it is a Trojan horse of privatisation that no one knew would come. The changes will probably cost £3 billion

or £4 billion to administer and will clearly set us back a number of paces before we move forward—if we do move forward.

A few people have mentioned the excellent work of John Appleby, the chief economist of the King's Fund, who wrote in the *British Medical Journal* that the rate of deaths from heart disease is falling much faster here than in any other European country. It is falling to such an extent that it will be lower than the rate in France by 2012 even though we are spending 28% less. In terms of relative efficiency, we are doing well. Breast cancer rates have fallen by 40%, compared to 10% in France. I am not complacent and I do not pretend that there should not be greater productivity. If I had to point to one area in which there should be greater productivity, it would be the fact that we pay GPs too much money. That is the fault of the previous Government for negotiating a situation in which GPs can make more and more money. Now, it seems, we are encouraging them along that track, as though making a load of money were the primary focus.

My basic point is that if it ain't broke, don't fix it. Reform, yes: breaking the system, no. The Bill is not evidence-based. We are hurtling ahead, although people do not know the likely downside—the duplication, the amount of profit, the failures and possible hospital closures. The Bill is not economically sound or robust.

I have mentioned other difficulties one of which is that we make GPs subcontractors who want to maximise profit. In Wales, there is a move towards directly employing consultants and GPs, as opposed to giving them free rein on profit maximisation. Assuming that the Labour party wins in the Assembly election in May, we will see over the next five years the emergence of parallel systems, one of which will be a modernised version of the traditional health service and the other a marketised system. There is a conflict of interest between the profit motive and patient care, particularly in chronic conditions.

If aggregate supply is to be provided by a group of GPs, as opposed to a PCT, there is the risk of local shortages—of flu vaccines, for example. There might be local shortages in one area and excess supply and waste in other areas because of the absence of a strategic plan to deliver the right aggregate and match supply and demand.

In terms of customer and consumer watch, something called HealthWatch is to be introduced. Given the Government's record in getting rid of Consumer Focus and bundling it in with Citizens Advice, I have little faith in the effectiveness of HealthWatch in looking after patients who, as I mentioned, are relatively ignorant of the product they are offered and face a local monopolist.

With reference to lifting the cap on private patients, as my right hon. Friend the Member for Croydon North (Malcolm Wicks) said, there is a risk that BUPA, for example, might suddenly funnel a lot of its patients in one direction because of discounted purchases, crowding out patients in a certain area. That would lead to unpredictability in the system.

We are asked to believe that the abolition of 150 PCTs and 10 strategic health authorities will miraculously save us some 45% of current expenditure. The people of Wales will make the right decision in May.

9.23 pm

Julian Sturdy (York Outer) (Con): It is a privilege to be called to speak in today's debate at such a late hour. I shall try and keep my comments as brief as possible to allow other Members to get in.

Alongside the economy, crime and employment, the performance of the NHS and the provision of local health care is of the utmost importance to most, if not all, people. Health care is rightly viewed as an indicator of a community's well-being, prosperity and happiness. I know that some hon. Members may disagree, but I firmly believe that all elected Members, on both sides of the House, share a genuine desire to protect and enhance our NHS. Unfortunately, party politics too often comes into health debates. I fear that some Opposition Members have proved that again today.

We all want to improve our NHS services, cut waiting lists, increase cancer survival rates and improve patient experience. Those are certainly the desired outcomes that my constituents want to see.

I truly believe that doctors, nurses and paramedics carry out tremendous work, often in the most testing conditions. We must get away from the idea that a desire to reform the NHS radically equates to some sort of insult to the commitment, ability and performance of NHS staff, because it does not. I am interested in the Bill's reforming potential because of the conversations that I have had with concerned, exhausted and demoralised NHS professionals.

The NHS is indeed a national treasure, and I can safely say that I will always support it having a place in our society. Such sentiments echo what has already been said by the coalition Government, who from day one pledged to increase spending on health services and shall now do so by no less than £10.7 billion over the course of this Parliament. However, as my right hon. Friend the Member for Charnwood (Mr Dorrell) noted, future demands on the NHS will be unprecedented. Despite the best efforts of NHS staff, our performance has fallen, compared with other countries in the OECD, on respiratory diseases, heart attacks and cancer survival rates. Too much top-down control, too little patient consultation and too many Government-driven targets have brought unsustainable pressures to those on the NHS front line.

Reform is necessary, and it is clear that this broad piece of legislation contains a host of reforming measures. One of the most discussed aspects of the debate is the abolition of the PCTs and the devolving of commissioning to GPs, which I wholeheartedly support. In North Yorkshire, the local primary care trust has been an issue of concern for some time, and in December I secured a Westminster Hall debate on the matter. Concerns from constituents, the voluntary sector and local practitioners were all raised. In essence, the local PCT has in part inherited and in part created a substantial budget deficit running into millions of pounds. As a result, local services such as the provision of back pain relief injections have been withdrawn, impacting severely on the lives of thousands of residents across the region. The local primary care trust's bureaucratic approach highlights the overall failures of PCTs. I could go on, but time is pressing.

I will mention one further concern. Although I welcome the specific reform, I believe that what happens during

[Julian Sturdy]

the transitional period from PCTs to GP consortia is vital. Services, patients and performance levels cannot be allowed to slip during that important period. I urge Ministers to ensure that all the preparations are in place so that that does not happen.

In conclusion, I very much welcome this truly reforming Bill and pay tribute to the Secretary of State for the work he has done on it. I care passionately about the NHS and its future ability to provide world-class health services for the whole country. I do not believe that it would be morally right to allow the NHS to continue to suffer from top-down, bureaucratic, state-led management. We should and can put patients first, with a flexible health care service that is able to respond to local needs. The Bill will not endanger the NHS, as some Opposition Members might claim, but it will enhance it through the empowerment of patients and local health professionals.

9.28 pm

Mr David Anderson (Blaydon) (Lab): I rise to speak not only as a former official of Unison, the biggest trade union in the health service, but as a former care worker. Like most other union officials who have been bad-mouthed as the voice of conservatism, I have actually worked in taking care of people. Perhaps once in a while the people who have delivered services to the vulnerable, the sick and those in need in this country might be listened to. The last time the Conservatives were in power, they did not listen to the voices of such people about the health service, which is why we saw the introduction of compulsory competitive tendering, which led to hygiene-related diseases. We saw massive waiting lists and people waiting on trolleys in corridors.

I do not want to put my views tonight, but the views of the people who work in the health service, such as my GP, who asked me this morning how, if we are to go through all these changes, he will be able to take the time off to learn business administration and how to use a computer properly so that he will be able to challenge the people who will run his service. The King's Fund says that it questions

"the need to embark on a fundamental reorganisation when evidence shows health outcomes and public satisfaction have improved."

The hon. Member for Totnes (Dr Wollaston) says that

"it does look like somebody has tossed a hand grenade at the PCTs"

and, even more importantly:

"If the expertise isn't there...inevitably they're going to be having to turn more to the private sector."

Dr Hamish Meldrum, chairman of the British Medical Association, says:

"Ploughing ahead with these changes as they stand, at such speed, at a time of huge financial pressure...is a massive gamble."

He also says:

"We will quickly see failed consortia bought up on the cheap by foreign companies and see bits of the NHS run from abroad."

Sir Richard Thompson, president of the Royal College of Physicians, says:

"The fragmentation of services would have detrimental impacts on the various areas the reforms seek to improve".

Dr Peter Carter from the Royal College of Nursing says:

"The RCN is also concerned that the fragmentation could result in unexplained variations in service, a reduction in collaboration and less sharing of good practice—all of which impact on quality care."

He also says:

"We don't think it's been properly thought through... In May last year the average waiting time was nine weeks. Our concern at the moment is that short-sighted false economy will end up costing the public money and result in patient care going backwards."

The head of Arthritis Care says that

"the Bill risks creating a 'free-for-all' situation where only those patients who shout the loudest will get the services they need."

In a letter to *The Times* on 17 January, the leaders of six professional health service organisations said:

"The scale and ambitions of the cost-reform programme are extremely risky and potentially dangerous."

Last Monday, in a letter to *The Times*, 190 nurses from one trust said that the

"figures from the Royal College of Nursing show 27,000 nursing posts are being cut. These proposed reforms will make matters much, much worse...The proposed reforms will be rapid, costly and staggering in scale: they presage nothing less than the complete reconstruction, if not privatisation, of the NHS".

This morning, in the *Newcastle Journal*, 12 doctors representing people from Northumberland in the north to Yorkshire in the south said that

"enforced financial competition, creating a health 'market', risks damaging our health service. Forcing GP consortia to tender contracts out...runs the huge risk of seeing large commercial, profit-driven companies entering the market. They will pursue the most profitable contracts...and ignore aspects of healthcare which are not profitable, leaving behind 'Cinderella' services. There can be no doubt that the use of their size to undercut on price...could damage local services in the north-east."

Those are not my words. They are the words of those we as a nation trust to take care of the people who send us here. To rubbish them, like Government Members have done tonight, as the voices of conservatism means just one thing: arrogance. It shows that they are not prepared to listen to those who take our people forward and look after them. *[Interruption.]* No, I am not going to sit down; other people want to speak. The truth is that the people of this country will never forget that, and they will not forget the human shields in the Liberal Democrats who are giving cover to that policy.

9.33 pm

Nick de Bois (Enfield North) (Con): I am very grateful for this opportunity to contribute to the debate. It is a great relief to note that we are now having a debate, having passed the stage where people, such as the previous Government, believed that pouring in more money improved outcomes. We are now debating reform, and we should welcome its scale, so that we can head towards what patients want—improved outcomes.

Whatever the good intentions of the previous Government, there is no question but that, unfortunately, their measures led to reduced productivity, a massive increase in bureaucracy and a distortion of clinical priorities, which meant that, on the outcomes that we seek, patients were not satisfied. I have been more concerned about health outcomes and the fact that patients were becoming remote from the thing that mattered to them most. That is what the NHS is about. Whom do patients trust? Do they trust a remote primary care trust or their local doctor? There really is no

contest, so I welcome these reforms, because they will give commissioning powers to GPs and bring their patients closer to the decisions about their future.

I do not recognise the picture painted by Opposition Members who say that GPs do not welcome the proposals. Already more than half the country is working under the pathfinder shadow consortia, and in Enfield we are already rushing to sign up. We have agreed our consortium, which I warmly welcome. It is keen to seize the opportunity.

Let us turn to local accountability, which goes hand in hand with local commissioning-based services. In the past, it has proved impossible to have genuine local accountability as the NHS processes ultimately all led directly to Whitehall and the Secretary of State. I agree with the Nuffield Trust that the widening involvement of independent providers, the use of social enterprises and community services, and the increase in foundation trusts mean that local accountability mechanisms should indeed be robust..

The right hon. Member for Croydon North (Malcolm Wicks), who, sadly, is not in his place, and the hon. Member for West Lancashire (Rosie Cooper) expressed concerns that the mechanisms would not be robust, but I refer them to clause 170, on independent advocacy services, and to clause 175, which emphasises the scrutiny role of the local health authorities, not to mention the local representation of councillors. *[Interruption.]* The hon. Member for Leicester West (Liz Kendall) says, "One" from a sedentary position, but I shall not take lectures from a member of a party whose Government carried out no consultation as they tried to reconfigure services in Enfield against the wishes of the public. I shall turn to that now.

It makes no sense that the people who want to hold the health care community to account for their local services should have to go to an intransigent bureaucracy and ultimately up to the Secretary of State. That process is removed from where the local decision making takes place. As I said, in my constituency we are reaching a critical stage now in the future configuration of our acute hospital services. The decision prompted by the previous Government, to downgrade and rip out our vital A and E service and axe the consultant-led maternity services that see 3,000 births a year, is being relentlessly pursued by those same bureaucrats and officials from the health services, despite the fact that the decision will cost lives.

In ignoring the wishes of thousands who took to the streets and the view of the majority of Enfield GPs, those same PCT officials, even at this late hour, are effectively trying to bully the residents into accepting the changes without the consent or consultation of the people. No such arrogance would have been evident if this Bill had been in place. Local people would have been engaged in a genuine process of change because such a proposal would have had to have been agreed by the local health and wellbeing board. As the Secretary of State said yesterday morning, any possible future changes would have to be agreed in the health and wellbeing board of the local authority, which is publicly open and accountable. Gone is the "Whitehall knows best" attitude, to be replaced with local accountability, local engagement and local decision making.

Had the Bill been in place as law, I do not believe that we would have reached the 11th hour for this critical decision in Enfield. The four tests that the Secretary of State rightly requires would have kicked the issue into touch long ago because of genuine local accountability. The local authority, local GPs and, above all, local residents have spoken with one voice. I am grateful that we have a Secretary of State who believes in local accountability and decision making. In future, the voice that was ignored by the Labour party will be enshrined in this legislation. For years, we have suffered from a lack of local accountability in the health service.

Henry Smith: Had the Bill been law 10 years ago, Crawley hospital would not have lost accident and emergency and maternity services. It seems that my hon. Friend thinks the same about hospital services in his constituency.

Mr Speaker: Order. The hon. Member for Enfield North (Nick de Bois) is being generous in giving way, but I remind him that the Front-Bench winding-up speeches begin at 9.39 pm.

Nick de Bois: Thank you, Mr Speaker.

For years, we have suffered from a lack of local accountability in the health service. The Bill delivers that accountability. For the health service, the Bill is evolutionary, building on the successes and correcting the failures of the past, and leading to improved outcomes. This revolutionary Bill decentralises power to local people.

9.39 pm

Derek Twigg (Halton) (Lab): This has been a fascinating debate with some interesting and excellent speeches. Some 17 Labour Members and a similar number on the Government Benches have given a variety of speeches, some showing great knowledge and some not so much. I particularly congratulate my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams) on her excellent maiden speech, in which she demonstrated her great knowledge of the health service and her background in it. I am sure that she will make many more such speeches and be a great success in this House.

I would like to thank the NHS staff for all the work they do every day in our health service. That includes those at PCTs; one might sometimes think that they were ogres, given how PCTs are described by some Government Members. They work very hard, and they, too, have to deliver the changes that will take place as a result of this Bill.

The Secretary of State is pushing ahead with the Bill despite criticism from all sides. Patient groups, professional bodies and health experts have attacked the plans as high cost, high risk, a danger to the commissioning of key health services, and a distraction from the need to find efficiencies. The heads of the British Medical Association, the Royal College of Nursing, the Royal College of Midwives and the Chartered Society of Physiotherapy, as well as union leaders, have described the reforms as extremely risky and potentially disastrous. The more they see, the more they become concerned. The clear message that we have been getting is that the proposals have come at the wrong time, they are ill conceived, and a lack of attention has been paid to stakeholders' concerns.

[Derek Twigg]

The Secretary of State has ignored the massive improvements that took place under the Labour Government. One would think that he was talking about a different health service, because we had record numbers of doctors and nurses and record low waiting times. I wonder whether the Minister will confirm, as the Prime Minister and the Secretary of State have not done so, that there will be no increase in waiting times during the life of this Parliament. There have been record levels of patient satisfaction, with 71% agreeing that Britain's national health service is one of the best in the world—the highest figure on record. That is also evidenced by the satisfaction levels recently recorded across user groups, with, for instance, 91% of GPs and 90% of out-patients satisfied. The argument that the NHS is in crisis and is not dealing with patients' concerns does not stand up. It is important to look at some of the other improvements that have taken place. In June 2010, 90% of admitted patients and 98% of non-admitted patients were being seen within 18 weeks. The coalition has scrapped the targets that delivered those improvements to patient care.

Several Members referred to international comparisons. Let me take the example of the Commonwealth Fund, which ranked the UK first for efficiency and effective care in a study of seven top health care systems. In its 2010 international survey, it found that 92% of people were confident that they would receive the most effective treatment when sick—the No. 1 figure among comparable nations.

A lot has been said about cancer mortality. From 1997 to 2008, cancer mortality rates in all regions of England decreased by between 17.5% and 23%. Even more pronounced improvements have been observed in mortality from circulatory diseases: between 1995-97 and 2006-08, the mortality rate for England fell by 47%.

There are many uncertainties and unanswered questions about the Bill. There are concerns about who will be involved in commissioning and whether it will include other clinicians such as hospital doctors, physios and, importantly, nurses. How do nurses fit into the structural regime? In an article in today's edition of *The Times*, the Prime Minister says:

"Nurses too will continue to play a vital role. GP consortia will have a statutory duty to work with nurses and other healthcare professionals, ensuring they have a real voice in shaping better care for patients".

The Royal College of Nursing says that it was interested to see this, because it does not believe that the Bill goes far enough for it to be possible to claim that that is a statutory duty. Perhaps the Minister will respond to that, too. The only provision that the RCN believes relates to that matter is new section 14O in clause 22, which states that commissioning consortia must obtain appropriate advice. It does not believe that the Bill goes far enough in ensuring that commissioning consortia have relevant multi-disciplinary expertise to commission appropriate care.

I should like to turn to Monitor and competition—an aspect that has not been much mentioned. An ideological commitment to competition on price and to a massively increased role for the private sector is at the heart of the Conservatives' proposals, despite their attempts to hide it. On 17 January, in a 700-word article in *The Times*, the Secretary of State did not mention the word "competition" once, but the Government have had to reveal where the true thrust of this legislation lies. Of course, he did not mention it much in his speech today, either. The Prime Minister told the House that

"what we want is a level playing field for other organisations to come into the NHS."—[*Official Report*, 19 January 2011; Vol. 521, c. 831.]

When we appeared together on "Newsnight" a couple of weeks ago, the Minister of State, Department of Health, the hon. Member for Chelmsford (Mr Burns) said:

"It is going to be a genuine market. It is going to be genuine competition."

The Government have hidden the great bulk of the ideological market and competition changes from public view. There is the introduction of competition on price. Monitor will have the power to direct consortia to put the provision of services out to tender, irrespective of what the GP consortia say. The Minister wants to deny that, but it is what we read in the Bill. Monitor will be driving this, not the GP consortia. Government Members should be reading that part very carefully. NHS resources, such as beds and staff, will be used without limit to treat private patients as the cap on private patients in hospitals is lifted. That means that private patients may jump the queue while NHS patients are waiting for treatment. Services or whole hospitals may be forced to close as the most profitable patients are cherry-picked by private providers.

Robert Flello: Does my hon. Friend recognise the effect when a local MP sets up a big campaign? In my constituency, I may well be doing that with the Sutherland centre, which is under threat. The local MP will have no influence or power at all because of Monitor's role.

Derek Twigg: The issue of accountability for this House—what we can and cannot do—is important and I will come on to it if I have time.

I turn to the Liberal Democrats. The hon. Members for Burnley (Gordon Birtwistle) and for Manchester, Withington (Mr Leech) suggested that the Bill will protect hospitals and wards from closure. I am afraid that it will not. They need to read the Bill again. Monitor will be driving a lot of this, and they need to be clear about what the Bill actually does. They should join the hon. Member for St Ives (Andrew George), who is taking the interesting stance of not voting for the Bill tonight. He understands it better than other Government Members.

Concerns over fragmentation and obstacles to integrated working have been raised by numerous bodies in the health service and by those who work in the health service. The Commonwealth Fund states that the UK has the best co-ordination between health care providers and professionals, with the lowest percentage of patients having experienced co-ordination problems in their care. Only 10% of patients have received conflicting information. The more privatised, competition-driven systems in Australia and the US experience greater co-ordination problems.

The King's Fund brief for this debate states:

"The Bill signals a significant shift towards a more competitive market for health care. While we support increased competition in areas where it demonstrates benefits to patients, the Bill appears to move towards promoting competition at the expense of collaboration and integration."

That is from one of the most respected think-tanks.

One cannot underestimate the huge powers that will be given to Monitor. It will expose the NHS to a rigorous competition regime, with services going out to tender. The explanatory notes state that Monitor will become the

"economic regulator for all NHS-funded health services",

with the power to

"do anything it needs to in order to exercise its functions."

In other words, the NHS will become like a utility.

Of course, the Government are full of broken promises. The Prime Minister said that there would be real-terms increases in NHS spending, but there are not. He said that there would be no cuts, but there are. He said that there would be no top-down reorganisations, but we have a top-down reorganisation. David Nicholson said that

"no one could come up with a scale of change like the one we are embarking on at the moment. Someone said to me 'it is the only change management system you can actually see from space'—it is that large."

This is a massive change. There are other issues, such as the cuts in staff that are taking place and the vacancies that are not being filled. We are being told about that by people who work in the health service. That is the true nature of the health service under the Conservatives and the coalition.

We are in favour of improving the quality of care, driving up standards, greater clinical involvement and giving a greater say to patients. We are therefore not anti-reform, but we are against this reckless, top-down reorganisation with a cost of £3 billion, which was hidden away during the general election campaign. It is reckless, it is not in our best interests and many believe that it will be the end of the NHS as we know it.

9.49 pm

The Minister of State, Department of Health (Mr Simon Burns): When NHS funding has reached the European average, but the outcomes for care have not; when doctors are seeking to improve the quality of care but are hindered by politically imposed targets; and when the defence of bureaucracy is put above front-line services, we know that something has gone very wrong. That is why the coalition Government will act, act now and act with determination to improve and modernise our national health service. The Bill will create an NHS that puts patients first, that frees clinicians to deliver the best and most innovative care they can, and that focuses on what matters most to patients—health outcomes.

This has been an interesting debate, although at times, sadly, not a well informed one. I begin, however, by congratulating the hon. Member for Oldham East and Saddleworth (Debbie Abrahams) on her fluent debut speech in the Chamber. I wish her every success in her future contributions, although I warn her that she will not get such a quiet ride next time around. I also congratulate my right hon. Friend the Member for Charnwood (Mr Dorrell) on an interesting and incisive speech, and my hon. Friends the Members for Boston and Skegness (Mark Simmonds) and for Central Suffolk and North Ipswich (Dr Poulter). The latter has great experience, having worked in the NHS.

I wish also to congratulate a number of my other hon. Friends on interesting contributions, including my hon. Friends the Members for Mid Bedfordshire (Nadine Dorries), for Basildon and Billericay (Mr Baron)—we will certainly write to him with answers to his questions—for Winchester (Mr Brine) and for Loughborough (Nicky Morgan).

It is always a delight to listen to the Member who, I suspect, is probably best described as the old Labour dinosaur, the right hon. Member for Holborn and St Pancras (Frank Dobson). I also enjoyed the elegant contribution of the right hon. Member for South Shields (David Miliband). Having listened to his fluent speech, all that I can say is, what a difference opposition makes. It is interesting that what he supported as part of a Labour Government in power he now seems to have abandoned in opposition. The hon. Member for York Central (Hugh Bayley) asked a number of intricate questions, and given the time that I have, I promise that I will write to him with answers to all of them.

Hon. Members might find it helpful if I debunk a few of the myths that have sprung up about our plans to modernise the NHS. The first, and perhaps the most insidious, is that they were kept secret and hidden from the electorate. Quite frankly, that is palpable nonsense. In June 2007, my right hon. Friends the Secretary of State and the Prime Minister, when in opposition, published the Conservative party's white paper, "NHS Autonomy and Accountability". It laid out our clear intentions, which we reiterated on pages 45 and 46 of our election manifesto. We said, as a commitment to the British people, that we would

"give every patient the power to choose any healthcare provider that meets NHS standards, within NHS prices. This includes independent, voluntary and community sector providers."

We stated that we would

"strengthen the power of GPs...by...putting them in charge of commissioning local health services"

and

"set NHS providers free to innovate by ensuring that they become autonomous Foundation Trusts".

We also stated that we would create an independent NHS board. It is quite ludicrous to suggest that we did not tell the British people our plans both before and during the election campaign.

A second myth is that our plans to modernise the NHS are revolutionary. In fact they are evolutionary and an extension of the policies of previous Administrations, notably the Blair and Brown Governments. That is particularly true of the move towards the "any willing provider" principle and patient choice. In 2003, when the Labour Health Secretary Alan Milburn moved to introduce a plurality of providers and patient choice, he argued that

"the NHS cannot be run forever like a 1940s-style nationalised industry".

He was right. The NHS needs the constant drive of improvements to raise standards and improve outcomes.

More recently—perhaps Opposition Members would like to listen to this—in 2007, the Labour Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), gave evidence to the Liaison Committee. He stated:

"We have been asking in people from the private sector to review what we can do to give them a better chance to compete for

[Mr Simon Burns]

contracts...so the independent sector increases its role, will continue to increase its role and, in a wider and broader range of areas, will have a bigger role in the years to come."

He said:

"The test at the end of the day is not private versus public, it is value for money, and it is not dogmatic to support one against the other."

In 2008, he said:

"We will continue to open up acute care with...choice of hospitals trusts across private and public sectors in England...including more than 150 private sector hospitals working as part of the NHS and at NHS cost and standards of quality. We will use all mechanisms available to us to improve our NHS—public, private and voluntary providers can all play their part".

This Government have also been falsely accused of wanting somehow to privatise the NHS. Privatisation is defined as making people pay for their health care. That is not going to happen under this Government. This Government are totally committed to the values of the NHS: paid for through general taxation; free at the point of need; and always based on clinical need and never on a person's ability to pay.

Others have erroneously claimed that any involvement of the private sector will undermine the public sector ethos. That is a rather surprising view, considering that it was the last Labour Government who embraced the private sector. I shall quote Dr Howard Stoate, who was recently elected chair of Bexley's shadow GP consortium. Opposition Members will remember that, until the last election, he was the Labour Member of Parliament for Dartford. In a recent article in *The Guardian*, he said:

"We have found the idea that services can be offered by any willing provider can actually strengthen the ethos of the NHS rather than weaken it."

Dr Stoate went on to say that, in his experience, GPs

"reveal overwhelming enthusiasm for the chance to help shape services for the patients they see daily...Far from miring GPs in bureaucracy...GP commissioning can free them to operate more effectively."

This Government have one simple objective for the NHS: that it should give patients health outcomes that are consistently among the very best in the world, including higher survival rates, greater clinical effectiveness and safer care for patients. Excellence cannot be delivered by having Ministers bark orders down the chain of command. It is done by encouraging innovation and creativity, and by putting the interests of patients ahead of the system and of tomorrow's headlines.

We will free local clinicians to use their expertise to shape local services. We will free patients to choose the best possible care for their specific needs. We will bring a culture of openness and transparency to the health service, and we will allow any willing provider to compete to provide the best patient care. These plans are consistent, coherent and comprehensive, and they will deliver care that is free at the point of use for all. They will build on the best of what has gone before.

Some say that the reorganisation of the national health service will cost £3 billion, but that is factually incorrect. The impact assessment shows that there will be a one-off cost of £1.4 billion. It also demonstrates how the changes will pay for themselves by 2012-13, saving £5.2 billion by the end of this Parliament. They will continue to save £1.7 billion in every year after that, up to the end of the decade. Every penny of those savings—the equivalent of 40,000 extra nurses, or 17,000 extra doctors or 11,000 extra consultants every year—will be completely and totally reinvested in front-line services, not wasted on back-office costs.

As society evolves, so too must the NHS. The Bill will deliver a modern NHS fit for the 21st century. It is the natural progression of the original vision to deliver the finest health care for all our citizens, remaining true to the founding principles set out by Nye Bevan.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 321, Noes 235.

Division No. 185] **[9.59 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gibb, Mr Nick

Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollobone, Mr Philip
Hopkins, Kris
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Morgan, Nicky
Morris, Anne Marie
Morris, David
Mosley, Stephen
Mowat, David
Mulholland, Greg
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Opperman, Guy
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mr Philip Dunne and Mark Hunter

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Dr Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim

Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Engel, Natascha
Evans, Chris
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Mark Tami and
Mark Hendrick

Question accordingly agreed to.

Bill read a Second time.

HEALTH AND SOCIAL CARE BILL (PROGRAMME)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the following provisions shall apply to the Health and Social Care Bill:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 31 March 2011.

3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Consideration and Third Reading

4. Proceedings on Consideration and Third Reading shall be completed in two days.

5. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the second day.

6. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

7. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

8. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Bill Wiggin.)*

Question agreed to.

HEALTH AND SOCIAL CARE BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Health and Social Care Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any expenditure incurred by virtue of the Act by the Secretary of State, and

(2) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Bill Wiggin.)*

Question agreed to.

HEALTH AND SOCIAL CARE BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Health and Social Care Bill, it is expedient to authorise—

(1) the imposition of charges in connection with the functions of the Secretary of State relating to public health,

(2) the imposition of charges on providers and commissioners of certain health care services in connection with the functions of Monitor relating to securing the continued provision of those services, and

(3) the payment of sums into the Consolidated Fund.—*(Bill Wiggin.)*

Question agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CONSTITUTIONAL LAW

That the draft Protection of Vulnerable Groups (Scotland) Act 2007 (Consequential Modifications) Order 2010, which was laid before this House on 14 October, be approved.—*(Bill Wiggin.)*

PETITION

Reform of Health Services (Wycombe)

Mr Speaker: Before the hon. Member for Wycombe (Steve Baker) presents his petition, I appeal to right hon. and hon. Members to leave the Chamber quickly and quietly, extending the same courtesy to the petitioner that they would want to be extended to them.

10.19 pm

Steve Baker (Wycombe) (Con): The petitioners of the residents of Wycombe declare that they are

concerned and unhappy about the continuing loss of control in the hospital services that are in the constituency.

The 1,547 petitioners

therefore request that the House of Commons urges the Secretary of State for Health to take steps to ensure that the constituents of Wycombe are given the freedom to use the latest health reforms to work towards fair funding, make the hospital subject to greater local control, and that clinical staff have freedom from centralised planning and targets.

Following is the full text of the petition:

[The Petition of residents of Wycombe,

Declares that the petitioners are concerned and unhappy about the continuing loss of control in the hospital services that are in the constituency; and notes that, in recent years, the petitioners have witnessed the closure of Accident and Emergency, the temporary closure of the maternity unit, and the potential loss of urology services at Wycombe Hospital.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Health to take steps to ensure that the constituents of Wycombe are given the freedom to use the latest health reforms to work towards fair funding, make the hospital subject to greater local control, and that clinical staff have freedom from centralised planning and targets.

And the Petitioners remain, etc.]

[P000881]

Umbilical Cord Blood

Motion made, and Question proposed, That this House do now adjourn.—*(Bill Wiggin.)*

10.20 pm

Mr David Burrowes (Enfield, Southgate) (Con): I am pleased to have secured this vital debate. At first sight, a debate about umbilical cord blood might seem highly specialised and marginal in terms of its interest and application, but I hope that the debate that I have initiated will highlight the importance of the issue, and its wide application to the saving of lives and money. We have just completed the Second Reading of the Health and Social Care Bill, and this debate chimes with the Government's policy of creating a modern health service that is open to innovation and excellence, providing life-saving treatments.

I described this as a vital debate. "Vital" is a word used commonly in the Chamber. In fact, a quick search of *Hansard* will reveal that it was used 2,997 times in 2010—that is, an average of about 20 times each sitting day. It has been used in connection with banking reform, the G20, libraries and ladybirds. While all those are no doubt crucial subjects and worthy of parliamentary attention, my use of the word "vital" in this debate relates to the number of people who, sadly, die each year from blood disorders and cancers without the vital resource of umbilical cord blood.

I introduced the issue of umbilical cord blood to the House on 8 January 2008 through a private Member's Bill on the subject. A number of hon. Members approached me afterwards, in a state of ignorance to which they openly confessed, to ask what it was all about. Since then the issue has been raised on a number of occasions—notably the debates on the Bill that became the Human Fertilisation and Embryology Act 2008—and great progress has been made in raising parliamentary awareness of the benefits that these life-saving cords can provide for people suffering from tragic illnesses. In 2008 an all-party parliamentary group was established, and I see that its chair, the hon. Member for Alyn and Deeside (Mark Tami), is present. I am sure that the House will wish to join me in paying tribute to the work of organisations such as the Anthony Nolan Trust, whose efforts have helped to keep the importance of cord blood at the forefront of the minds of many hon. Members, including Ministers.

I hope that tonight's debate will remind Members of the value of this vital resource. Blood cancers are killers. According to Cancer Research UK, 4,000 new myeloma cases are diagnosed each year in Britain, and 2,500 myeloma sufferers die. There are 11,000 lymphoma diagnoses each year and 4,000 deaths; there are 7,000 leukaemia diagnoses each year and 4,000 deaths. For many sufferers, the only hope is a blood stem cell transplant. It may result from a bone marrow match, or from the taking of blood cells from the bloodstream of an adult donor or an umbilical cord donated by a mother after childbirth.

The procedure is complex, and there can be a range of complications that pose a threat to the patient. However, although it may seem awful that only 50% of blood transplant patients survive the treatment, almost none would survive without it. Blood stem cell transplants really are the last chance for people to whom no other treatment is available. For some of those people, a transplant is not just a treatment that saves their lives for a while, but an outright cure. At any given time, about 1,600 people in Britain are waiting for a matched donor for a transplant, hoping to survive long enough to get that chance.

Five-year-old Sorrel Mason was one such person. Three years ago Sorrel's father noticed that she was looking pale, and she was eventually diagnosed with a rare strain of acute myeloid leukaemia. Her mother Samantha recalled the terrible fear and sense of helplessness that they felt at the time. She said:

> "I remember the first time I saw her hooked up to all those machines. It broke my heart."

After two doses of chemotherapy Sorrel was able to have a transplant, and received suitable stem cells from a mother's umbilical cord from Tokyo—albeit an expensive imported cord; that is a point to which I shall return later. Thankfully, the procedure was a great success. In Samantha's own words:

> "Every day we waited for the daily blood counts. It was a miracle when eventually they came up okay."

We are on relatively new ground here, because the first time a stem cell transplant took place using cells retrieved from a donated umbilical cord was in 1988. Since then, scientists have been discovering many advantages to the use of cord blood. You, Mr Speaker, will be relieved to know that I will refrain from reciting numerous tracts from the many academic papers on this subject. However, one especially noteworthy example of the great research work being carried out is the Cancer Research UK-funded trial being led by Dr Rachel Hough into the use of umbilical cord blood from unrelated donors for people who have cancer of the bone marrow or lymphatic system. Her team aims to investigate whether a transplant using cord blood cells can help cancer patients who cannot be matched to a bone marrow donor. This is an exciting and promising development that highlights the great potential for uncovering further benefits of cord blood.

The immediate benefit of a transplant from cord blood is that it achieves the same level of success for the patient at a significantly lesser degree of tissue matching. When I first raised this subject three years ago, we relied on speculation about the number of cord blood units needed for this country's health needs. Now we know from evidence and with authority that a cord blood bank would have to maintain only 50,000 units to provide for the bulk of Britain's unmet need for stem cells beyond the 770,000 registered adult donors. A great advantage of umbilical cords is the availability of the stem cells retrieved. They are collected, tissue-typed and frozen after the birth of the child, and then made available as soon as a patient requires them. That radically reduces the waiting time before a patient can access a transplant. Currently, the average time it takes for a patient to receive their transplant after the search for a match is started is some 160 days, during which time many patients become progressively weaker and the likely success of the transplant can thus be reduced.

Cord blood transplants save lives that other methods cannot, so it is no surprise that, globally, the proportion of transplants undertaken using cord blood is increasing every year. Great Ormond Street hospital, a leading transplant centre, will now use only cord blood where it is available. The pace of advance in this arena is excellent. Each year, the prognosis for patients treated is better

than for those treated the year before, and that is because of the research taking place in the UK and around the world. Not only are blood cancers and similar disorders subject to increasingly effective treatments, but an active investigation is taking place into the use of cord blood in the treatment of sickle cell anaemia and HIV.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The hon. Gentleman will be aware that minority ethnic patients make up almost 20% of the unmet need for stem cell transplants, which is disproportionate to our 10% representation in the population. Does he agree that one of the important uses of this blood is in enabling ethnic minority patients, who find it more difficult to get a match, to have some hope?

Mr Burrowes: I am very grateful for that intervention. The hon. Lady and I share an interest in both sickle cell anaemia and the thalassaemia issue. The UK Thalassaemia Society, whose headquarters are in my constituency, has great interest in this area and, in particular, in the black and minority ethnic communities, who are not able to get matches through the bone marrow register and are acutely in need. That is particularly the case for mixed-race families, who struggle to find any match and are sometimes wholly reliant on a cord blood solution. That is why it is welcome that over the years the previous Government and this Government have increased the number of collection centres to make more of those units available.

However, more needs to be done because, sadly, where Britain once led, it is now falling behind the United States, France, Germany and Spain. All those countries now outstrip our cord blood collection, inhibiting our research capacity. There are 700,000 births each year in the UK and in almost every single instance the cord blood is discarded as medical waste. I am not proposing routine collection, but we must question the health and economic value of throwing all these potentially life-saving cords away. I welcome the fact that the Government are nudging people to agree voluntarily to donate their organs upon death, and I would encourage a similar nudge in encouraging mothers to consider donating umbilical cord blood.

Progress has been made, but more needs to be done. There are 1,600 people waiting for a stem cell transplant, but the unmet need in annual terms is only 440 transplants per year. A bank of just 50,000 umbilical cords would provide the bulk of that need. Sadly, simply increasing the size of the adult register is not an alternative to having cord blood. We already have access to more than 16 million donors on registers worldwide. The work of the Anthony Nolan Trust and others helps us to access that adult register, but we would need a UK adult register of a similar size to approach the effectiveness of a 50,000-unit cord blood bank.

Mark Tami (Alyn and Deeside) (Lab): I thank the hon. Gentleman for his earlier comments. It is difficult to talk in financial terms about such issues, but with patients who do not get a transplant, there is a huge ongoing medical cost for their treatment, whereas a transplant could save that money, which could then be reinvested in the health service.

Mr Burrowes: We often talk about investing to save, but this is an area in which investment would save both money and lives. I shall go into that in more detail.

A report on transplantation by the UK Stem Cell Strategic Forum, ably chaired by Professor Charles Craddock, was published in December 2010 by NHS Blood and Transplant. The Minister discussed the report, which makes important recommendations, with the all-party group on the day of its publication. The report recommended, first, investing in expanding Britain's cord blood bank capacity to 50,000 units. Those proposals have been properly costed and the costs have been balanced against effectiveness by NHS Blood and Transplant. For an investment of £50 million, spread over five years, Britain could have that 50,000-unit cord blood bank.

Nadine Dorries (Mid Bedfordshire) (Con): I thank my hon. Friend for giving way. I want to congratulate him on the work that he has consistently put into this issue over the past three years, which is to be commended. Would he endorse the proposal that certain hospitals or regions could be piloted or allocated as regions to collect and donate the necessary 50,000 units? Rather than having routine testing across the country, it could be just in specific regions or units.

Mr Burrowes: I am grateful to my hon. Friend for making that point. There has been some progress on the areas that could retrieve unit cords, particularly from members of BME communities who lack those matches, but we also need to look further at matching that up with regional centres of excellence. I shall return to that point.

First, let me deal with the money issue, which we cannot ignore in this area of health. For an investment of £50 million over five years, we could get that 50,000-unit blood bank. Although it would be difficult to find £10 million a year for five years in these austere times, the financial benefits make sense. The blood bank would provide economies of scale that would reduce the cost to the NHS of every treatment and would radically reduce the need to import expensive stem cell units from abroad, which is, sadly, too common a practice today. The saving that would bring to the NHS has been calculated at £6 million a year in perpetuity. Within 10 years, the entire investment would have been repaid and the programme would save the NHS money for the foreseeable future—and then there are the 200 lives we can choose to save each year by taking that step. So, it would save £6 million and 200 lives a year, and those figures are with currently available treatments at success rates that are currently being achieved.

Thomas Docherty (Dunfermline and West Fife) (Lab): I am very grateful to the hon. Gentleman for giving way. He has mentioned money several times. Is he aware of the work of the Round Table around Britain and Ireland, of which I am a member? It has consistently raised large sums for the Anthony Nolan Trust. Will he place on record his thanks to the Round Table movement for its support for the trust and this matter?

Mr Burrowes: I am grateful to that movement and other groups and charities that support this important work.

We need to ensure that we do well what we can do well by adopting the report's second recommendation to establish regional centres of excellence in cord blood

[Mr Burrowes]

transplants. That would reduce the number of UK centres from 30 to 12, leading to a £12 million saving over 10 years. The report makes the point that that would, crucially, ensure that we had specialised, life-saving therapies in safe, publicly accountable environments. That is fully in line with the Government's commissioning policy for specialised procedures and would provide great benefit.

The third, really exciting recommendation is about providing an opportunity to build on Britain's unique strategic advantages, encouraging world-class research and private and voluntary sector growth that will provide new jobs and save further lives. The proposal to create a national trial programme in stem cell transplantation would take advantage of world-class centres of scientific research and the easy and sustained access to patients that the NHS provides. The proposal offers the potential for inward investment, private sector job creation and third sector involvement, as is well demonstrated by the success of the Centre for Clinical Haematology at the Queen Elizabeth hospital in Birmingham. To quote Professor Craddock:

> "The unique international trials network will be highly attractive to pharmaceutical and biotechnology companies who wish to rapidly evaluate new drug therapies and can be anticipated to make a major contribution to the growth of private sector jobs in this sector."

The Government, as we know, are encouraging growth. Where better than in the field of cord blood stem cell transplantation? The Minister has been kind enough to keep me informed of the progress that her Department is making in the development of a response to the proposals in the report. I hope the time is nearing when she will be able to make a statement on her plans in this area. I trust that in the complexities and scientific details of that report, her Department will be clear about the central message that 200 lives and £6 million can be saved each year.

In conclusion, I draw upon the story of Sorrel Mason. Prior to her life-saving procedure, her parents had never heard of the importance of cord blood donation and its benefits for stem cell transplant patients. No one could put it better than they did when they said:

> "It's quite hard in this country to donate your umbilical cord. Hopefully as time goes by there'll be more places that offer this lifesaving opportunity."

In a Parliament that will be characterised by the difficult decisions that it makes, this is one decision that we cannot afford not to take, and yes, I will say it again: it is vital to do so.

10.37 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): I thank my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) for securing this debate on a topic that is vital. He is right to state that this is yet another opportunity to highlight the issue. All opportunities are useful to raise it in the minds not only of those in the House this evening, but of the public and of those in a position to influence what goes on.

The Department recognised the importance of this issue when it asked the NHS Blood and Transplant Authority to review the UK's collection, supply and use of stem cells from both bone marrow and umbilical cord blood. The general consensus was that the UK Stem Cell Strategic Forum did a superb job on the review. Its report, which was published in December last year, involved a well thought through, strategic and costed analysis. It provided us, probably for the first time, with an honest appraisal of the use of stem cell units in the UK in the public and charitable sectors. Unfortunately, as is often the case if such reports are honest and frank, some of it made uncomfortable reading.

The review found that the delivery of stem cell units for transplant in the UK is not as efficient or effective as it should be. As my hon. Friend stated, we lag behind many other comparative countries, including Germany and the United States. Some 400 patients each year fail to find suitable donors. Then delays in the system mean that those who find a donor are sometimes, sadly, much too ill to receive a transplant. For these patients the prognosis is very poor.

As the hon. Member for Hackney North and Stoke Newington (Ms Abbott) pointed out, for patients from a black or minority ethnic background, the problem is compounded by the lack of donors or suitable stem cell units available in the first place. Disadvantaged from the outset, their chances drop drastically. On average, about 90% of Caucasians can find a suitably matched donor, compared with only 30% to 40% of those from other ethnic backgrounds. That is unacceptable and pretty shocking. As I said when I announced the report's publication at a meeting of the all-party group on stem cell transplantation, I am determined to do all that I can to see services improve. I want service providers to develop plans for providing the most effective and efficient service possible in the interests of both the patient and the taxpayer.

My hon. Friend has highlighted a rapidly developing area. Some progress has been made, but it is going at an extraordinary pace. The report not only highlighted what needs to be done, but contained 20 recommendations for the improvement and development of services for the benefit of patients. They include comprehensive changes to the way services are delivered, with a view to establishing the UK once again as a world leader; a more streamlined collection, processing and delivery service, with much more of a focus on results, rather than process; and a radical reconfiguration of transplant services.

The greatest improvements and the quickest gains will be delivered by better bone marrow and umbilical cord blood stem cell services. By making services more efficient, we will see a marked improvement in the treatment, care and support received by patients. We will be able to reduce the time it takes to find a matching donor, address any inequalities in the current system and provide a better service with fewer resources. That will lead to better quality, better management, better planning, better delivery, better outcomes and, crucially, more lives saved. We want those principles to be diligently and consistently applied across the board. The objective is clear: to improve the life chances of those in need of a stem cell transplant.

A considerable amount of work has been done behind the scenes since the publication of the report to see that vision implemented. I have asked officials to work with the forum, NHS Blood and Transplant and Anthony Nolan to develop ways to get a single bone marrow register and cord blood inventory for the NHS in England.

We will explore what can be achieved by collective effort, using what is already available and planning for the provision of future services.

Thomas Docherty: Further to that point, has the Minister had any discussions with the Scottish Government on their plans for ScotBlood, which is the equivalent service in Scotland? Does she agree that the solution is to have a single register for the whole UK?

Anne Milton: There is no doubt that close discussions with all the devolved Administrations are critical. We have a patchy and disjointed service, but as the hon. Gentleman rightly says we need a single register. I am pleased to say that some work is already bearing fruit. At the last meeting of the forum, well-advanced plans were put forward on how NHSBT and Anthony Nolan can work together in future, with targets for reducing the average search time by six weeks and the establishment, for the first time in England, of a single bone marrow register and cord blood inventory. However, we must go further. I cannot praise enough that type of innovative and professional approach. It is collaboration like that that means real improvement for patients. We must have notable improvements on the wards, not just on the spreadsheets.

The UK Stem Cell Strategic Forum review was a Department initiative, and the work was paid for by the Department. We have heard of the efforts of organisations such as Round Table. I would like to take the opportunity to thank Lynda Hamlyn, the chief executive of NHSBT, Henny Braund, her counterpart at Anthony Nolan, and their dedicated, hard-working staff for the work they have done so far. I have no doubt that there is more work to be done and that it will continue in the future.

Claire Perry (Devizes) (Con): I am grateful to my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) for securing this incredibly important debate. I confess that this is something about which I knew nothing. He mentioned the importance of education and the need for a programme that is similar to that for organ donations so that mothers are informed about the value of umbilical blood and blood products before giving birth. Certainly, that is something that I was never informed about. Is the Department considering any sort of education programme so that people can opt in to the system as donors?

Anne Milton: I thank my hon. Friend for that intervention. It would be terribly simplistic to think that it is just a matter of donors coming forward. We know from organ donation—it is also the case for umbilical cord blood—that it is important to streamline the processes, because there are unacceptable delays. The report's recommendations cover the whole process from beginning to end. I do not underestimate the need to raise the importance of this issue. Many hon. Members can play a critical role in their local areas and with their local media by highlighting the importance of organ donation.

Mark Tami: Will the Minister give way?

Anne Milton: I am conscious of the time but happy to give way, because the hon. Gentleman has done a lot of work on this issue.

Mark Tami: Does the Minister agree that Anthony Nolan has done an awful lot—particularly with the introduction of spit and swab tests—to help people to take that first step on the ladder? Before, when it was a case of just giving blood, that put a lot of people off, particularly males, such as myself, who are rather squeamish about these things, but it is very important to get the maximum number of people to take that first step forward.

Anne Milton: Yes, absolutely. The hon. Gentleman is quite right to highlight yet again the work of Anthony Nolan, which is crucial, but I urge him and all male Members to remember that they have nothing to fear from needles and no need to be squeamish about those things; it is about potentially saving lives.

It is a challenging time financially, and we cannot put that behind us. It is important that we get the UK back on a secure financial footing, and that means funding will be tight, but I want to reach out further to our partners in charities to see how we can work together. We are not short of offers in that field. My hon. Friend the Member for Enfield, Southgate will know that I am shortly meeting Cord Blood Charity to see what part it can play, and Anthony Nolan is making every effort to provide additional funding for the important work that I have spoken about.

On Government funding, the Department of Health will provide some £4 million in additional funding to help with service development, but, more than that, we will continue to help in other ways, bringing together key stakeholders to ensure that all opportunities to bring about those further improvements and to implement those recommendations are taken. We are also working towards increasing the size of the cord blood bank by funding NHS Blood and Transplant to increase the bank to 20,000 units by 2013—an increase in stored units of almost 100% since 2008. I know that my hon. Friend would like to me go on, and as part of future strategic planning I shall ask NHS Blood and Transplant to consider the options for developing the bank even further, with the final goal of reaching a stock of 50,000 stored cord blood units, accessible to all NHS patients.

In the development of that new commissioning structure within the NHS, we will listen closely to the recommendations of the forum report, with respect to improving NHS practices and commissioning. The forum has met since the report's publication, and I hope that it will continue to meet to advise the sector on best practice and to provide innovative solutions to implement those recommendations. I shall keep closely in touch with all those who have shown such a close interest.

Improving the health care pathway for stem cell transplantation to treat life-threatening diseases is a vital part of that work. I use those words cautiously, but I want to see NHS patients having access to the best possible services. We are meeting my hon. Friend soon to discuss the issues raised in the report and some that have come out of this debate. As always, his contributions to the debate are welcomed, highly respected and, like those of many Members, motivated by the best possible intention, which is to save lives.

Question put and agreed to.

10.47 pm

House adjourned.

House of Commons

Tuesday 1 February 2011

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

BANK OF IRELAND (UK) PLC BILL

Bill read a Second time and referred to the Examiners.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Afghanistan

1. **Toby Perkins** (Chesterfield) (Lab): What recent discussions he has had with his Afghan counterpart; and if he will make a statement. [37140]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): My ministerial colleagues and I have regular contact with our Afghan opposite numbers to discuss a wide range of issues. We are working together to help bring stability to Afghanistan. I hope to be able to meet with Dr Rassoul again shortly.

Toby Perkins: The whole House will echo the Foreign Secretary's sentiments about how important it is that we bring stability to Afghanistan. The Taliban are greatly strengthened by any ability to increase the drug trade over there. Can the Foreign Secretary tell us what measures he is taking to reduce poppy production in Afghanistan, and what success we are having in this important fight?

Mr Hague: Of course we work with the Afghan authorities and many international partners on combating the drugs trade, which is one source of finance for the insurgency in Afghanistan. In the Foreign Office programme spending that I have announced in a written statement today, the hon. Gentleman will see that I have allocated £16 million of British taxpayers' money in the coming year for important counter-narcotics work in Afghanistan. It has met with some success in recent times, with a reduction in the total yield of the poppy crop, but we have to keep up the momentum.

Mr Gary Streeter (South West Devon) (Con): As Britain gradually withdraws its hard power over the next few years, does the Foreign Secretary see a role for this country in increasing and advancing its soft power, particularly in democracy-building support in the more secure areas, not least through our home-grown Westminster Foundation for Democracy?

Mr Hague: I hope that I will always see such a role. Indeed, in the same allocation of FCO programme funds, on which I made a written statement earlier today, my hon. Friend will see that there is a small increase for the Westminster Foundation for Democracy, from £3 million to £3.5 million. The foundation does important work across the world, and all of us across the House would want it to succeed.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Can the Foreign Secretary update the House on what discussions he has held on appointing a successor to US envoy Richard Holbrooke, an individual who I know was widely respected in all parts of the House, and on the political progress that he expects to be made in Afghanistan by the time of the Bonn conference later this year?

Mr Hague: The right hon. Gentleman will understand that it is not for us to appoint the US special representative for Afghanistan and Pakistan. The United States Government will take care of that. We are in discussions with them about how we will work together with a new special representative. It is a crucial role, and Richard Holbrooke is very much missed in it, but I cannot update the right hon. Gentleman on the United States decisions about that appointment. He is right to highlight the importance of the political process in Afghanistan. It is vital that it should be Afghan-led, but the United Kingdom will support and facilitate it wherever we can, and also urge the support of other countries in the region, such as Pakistan, to contribute positively to that process.

Mr Alexander: Given the interrelationship of insurgency, poverty and narcotics, about which there have already been discussions and exchanges this afternoon, can the right hon. Gentleman explain the basis for his decision, as set out in the written ministerial statement to which he referred, to make

"a reduction of £2 million"

in

"counter-narcotics and rule of law programmes in Afghanistan"?

Mr Hague: Yes, we have to adjust the spending totals from time to time—the change will be from £18 million to £16 million—because some programmes are coming to their natural end, and because I want to ensure that we can keep the current level of resources for counter-terrorist co-operation, which stand at £38 million and are focused predominantly on Afghanistan. We always have difficult choices to make on spending, but there is a natural evolution in our counter-narcotics work which means that some programmes are coming to their end.

Middle East Peace Process

2. **Ben Gummer** (Ipswich) (Con): What recent assessment he has made of progress in the middle east peace process; and if he will make a statement. [37141]

3. **Mrs Sharon Hodgson** (Washington and Sunderland West) (Lab): What recent representations he has received on the UK's involvement in the middle east peace process; and if he will make a statement. [37142]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Negotiations are the only way to achieve the national aspirations of both the Palestinians and the Israelis. We are deeply concerned about the breakdown in talks, and we are working closely with the United States and the European Union to see a return to direct negotiations. I hope that the Quartet meeting on 5 February will be clear that negotiations must resume quickly. The entire international community, including the United States, should support 1967 borders as being the basis for resumed negotiations. The result should be two states, with Jerusalem as the future capital of both, and a fair settlement for refugees.

Ben Gummer: I thank the Foreign Secretary for that answer. I hope he shares the excitement of many people in this country at seeing people stand up to one-party rule in Tunisia and Egypt. Will he explain what steps the Government are taking to encourage the spread of democracy—not just in the middle east, but in north Africa?

Mr Speaker: We will focus on the middle east for now.

Mr Hague: Focusing on the middle east, one thing that would help democracy across that area is a successful outcome to the middle east peace process—a two-state solution with a viable, contiguous and democratic Palestinian state alongside a secure and democratic Israel. The middle east peace process is fundamental, but our constant message more broadly across the middle east is how important it is to move in the direction of more open and flexible political systems—with each country finding its own way to achieve that—as well as towards sound economic development. The spending I have announced in a written statement today includes £5 million for an Arab human development programme, which is intended to assist civil society and democratic development in the Arab world, so this will become part of the important issue my hon. Friend raises.

Mrs Hodgson: Since signing the peace accord with Israel in 1979, Egypt has been a key figure in trying to broker peace and stability in the middle east. Recent events in Egypt obviously raise concerns about the future direction of its foreign policy. Will the Secretary of State tell us what role the UK Government will play in ensuring that, in the likely event of regime change, Egypt will continue to play a constructive role in the middle east?

Mr Hague: The hon. Lady raises a vital issue. Over a period of more than 30 years, as she says, Egypt has played a positive and moderating role in the middle east—a positive role towards achieving a wider peace in the middle east. We regard it as of paramount importance that Egypt continues to do that in the future. We are engaging with politicians of many different views in Egypt. I spoke to the Foreign Minister on Sunday night and I hope to speak to Vice President Suleiman shortly after this Question Time to encourage Egypt to have the broad-based Government and real and visible change that will allow an orderly transition, which will not only help to achieve the domestic aspirations of the Egyptian people, but allow the country to continue to play the role in foreign policy that it has played in recent decades.

Sir Menzies Campbell (North East Fife) (LD): The Foreign Secretary will recall that it was the vision of Menachem Begin, Anwar Sadat and King Hussein that led to the agreements on behalf of Israel, Egypt and Jordan respectively. It would be a tragedy if either of these agreements were to be casualties of the unrest in Egypt and the apparent unrest in Jordan. Will the Foreign Secretary undertake to bend every possible effort to ensure that these agreements, which are, after all, the only success in the middle east peace process, are maintained?

Mr Hague: My right hon. and learned Friend is absolutely right. This is one reason why we do not want Egypt to fall into the hands of extremism or, indeed, into prolonged disorder. That is why we have called—European Foreign Ministers joined together in doing so yesterday at our meeting in Brussels—for an orderly transition to a broadly based Government, with free and fair elections in prospect in Egypt, because we think it will help the country to continue to play that role. I also visited Syria last week to encourage that country to reconsider and approach again the subject of a permanent peace between Israel and Syria.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Two years after the Israeli assault on Gaza, which slaughtered 1,400 Palestinians, including 300 children, is the right hon. Gentleman aware that the situation of destitution, dereliction and malnutrition in Gaza is still appalling because of the blockade? The UN representative, the admirable John Ging, is giving up his post and moving to New York. Will the Government take every possible action to require the Israelis to lift this dreadful blockade?

Mr Hague: We remain very concerned about the situation in Gaza and disappointed overall by Israel's easing of restrictions there. There has been some welcome progress—the move from a white list to a black list and the increased volume of imports are welcome—but a fundamental change is needed to achieve pre-2007 levels of exports as soon as possible and an improvement in co-operation with the UN and non-governmental organisations. We say again that the blockade of Gaza is unsustainable and unacceptable.

Mr James Clappison (Hertsmere) (Con): Is there not at least one piece of good news from the middle east, in the shape of the very encouraging economic growth that has taken place on the west bank? Does my right hon. Friend agree that that is an indication of what could be achieved through compromise on the outstanding issues and movement towards a genuine, mutually agreed two-state solution?

Mr Hague: My hon. Friend is absolutely right. When I visited Ramallah in November, I saw a dramatic contrast with what I had seen on a previous visit a few years earlier in terms of economic development. However, such development has not been as dramatic throughout

the west bank, and much more could be achieved. What my hon. Friend has identified is part of the dream of peace in the middle east and a viable two-state solution.

Richard Burden (Birmingham, Northfield) (Lab): I agree with the Foreign Secretary that events that are currently unfolding in the middle east and north Africa render the need for a search for a durable peace in the middle east more, not less, urgent. However, the Palestine papers have proved pretty conclusively that it is not the Palestinians who have not been prepared to compromise. What pressure can we put on Israel to ensure that it understands that the requirement for compromise applies to it as well, not just to everyone else?

Mr Hague: Clearly all sides would have to make compromises to arrive at a two-state solution, and we have conveyed that message strongly to Israel in recent weeks. We have clearly expressed our disappointment that the settlement moratorium was not continued, and have made plain that we regard settlements as illegal. When Foreign Minister Lieberman of Israel visited London on Monday last week, I argued strongly that Israel needed to make the necessary compromises to allow direct talks to resume and to pave the way for a two-state solution. We will continue to convey that message.

Latin America (Bilateral Relations)

4. **Stephen Gilbert** (St Austell and Newquay) (LD): What plans he has to increase the prominence of bilateral relations between the UK and the countries of Latin America; and if he will make a statement. [37143]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): The Government are strengthening partnerships with Latin America. I have seen for myself that it is a dynamic and important region during visits to Columbia, Chile, Mexico, Panama and Guatemala. My right hon. Friends the Deputy Prime Minister and the Foreign Secretary will visit the region in the next few months.

Stephen Gilbert: What further specific steps is the Minister taking to improve the United Kingdom's relationship with Mexico and Brazil, which have two of the world's fastest-growing economies and are potential strategic allies in the 21st century?

Mr Browne: I strongly agree with the sentiment underlying my hon. Friend's question. I think most people would accept that the last Government neglected Latin America, and that is what we are trying to rectify. Along with other Ministers, I shall be accompanying the Deputy Prime Minister on visits to both Brazil and Mexico the week after next, when my right hon. Friend will take part in high-level meetings and, I hope, increase our engagement with both those important G20 countries.

Emma Reynolds (Wolverhampton North East) (Lab): We welcome the Foreign Secretary's commitment to increasing our bilateral trade with Latin America, as set out in his Canning house speech last year. Surely, however, one of the best ways to advance British interests would be to establish a free trade deal between the European Union and Mercosur. What steps are the Government taking to bring the negotiations to a swift and successful conclusion?

Mr Browne: I strongly agree with the premise of the hon. Lady's question. We want free trade to open markets all over the world, and Latin America is a part of the world where economies are growing both strongly and at a sustainable pace. We will try to bring about more free trade agreements, as well as trying to encourage greater trade and co-operation between British businesses and companies throughout Latin America.

Ivory Coast

5. **Esther McVey** (Wirral West) (Con): What recent assessment he has made of the political situation in Ivory Coast; and if he will make a statement. [37144]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): The UK Government remain deeply concerned about the ongoing political crisis in Côte d'Ivoire. We support the strong statements that have been made by the Economic Community of West African States and the African Union. Both have made clear—and we agree—that Mr Laurent Gbagbo should immediately and peacefully hand over power to Mr Alassane Ouattara in accordance with the wishes of the Ivorian people.

Esther McVey: The latest registration figures show that 31,000 refugees have fled from the Ivory Coast to eastern Liberia in the last two months alone. Having just returned from a medical visit to Liberia with representatives of the charity Merlin and the Royal Society of Medicine, and having met the President of Liberia and Health Ministers, I know that the country is hardly best placed to deal with such an influx, recovering as it is from 14 years of a brutal civil war. Can the Minister tell us what we are doing to help the people of the Ivory Coast, and how we are pushing for peace in the area?

Mr Bellingham: I agree with my hon. Friend that this is a totemic issue for all Africa. It is essential that Laurent Gbagbo must not be allowed to defy the will of the people, and it is very important that his funding is cut off, so I am very pleased that the west African central bank—Banque Centrale des Etats de l'Afrique de l'Ouest—has now cut off the Ivorian national reserves and I am confident that this will apply real pressure.

Diplomatic Network

6. **Mr David Nuttall** (Bury North) (Con): What future plans he has for the UK diplomatic network; and if he will make a statement. [37145]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Our global diplomatic network is essential to protect and promote our interests worldwide. That is why we must concentrate our resources where they are needed most, especially in the emerging powers, to increase our influence, promote our values and seize opportunities for prosperity. I will be taking and announcing decisions soon on what that will mean in practice.

Mr Nuttall: I thank the Foreign Secretary for that answer. Last week, in the European Union Bill Committee, the hon. Member for Rhondda (Chris Bryant) recalled that when he was the Minister for Europe, in the previous Government, his German counterpart told him that

"he expected to close possibly half of all German embassies and consular services around the world over the next five years."

The hon. Gentleman added:

"Other member states may well do the same."—[*Official Report*, 25 January 2011; Vol. 522, c. 196.]

Will my right hon. Friend please reassure me that we will not be closing any UK embassies and consular services?

Mr Hague: The statement about Germany closing half its embassies might be an exaggeration. Far be it from the hon. Member for Rhondda to exaggerate on any issue, but I think that will turn out to be an exaggeration. Certainly, the UK will not be doing that. We will not, overall, be reducing the size of our diplomatic network. I think it would be absolutely wrong to do so, as it is part of the essential infrastructure of our economic recovery as well as of our influence in the world. I will be announcing decisions about this in the next couple of months, but that will not involve an overall reduction in our network.

David Cairns (Inverclyde) (Lab): The Foreign Secretary has spoken of the need to strengthen the UK's diplomatic, strategic engagement with Syria—a point he reiterated a few moments ago. Will he take this opportunity to stress to the Syrians how important it is for them to butt out of the internal affairs of Lebanon? Does he agree that any new Lebanese Government who see Syrian-backed Hezbollah gain even greater importance will only further destabilise the middle east?

Mr Hague: Yes, we will use our diplomatic network—to keep this relevant to the question—and I used our embassy in Damascus last week to do many of those things. We had some very frank discussions with Syrian leaders, as can be imagined, about a whole range of issues including Iran and human rights, in particular, and about the situation in Lebanon. The Government there should be formed by constitutional means. They should be a broad-based Government and should continue to support the work of the special tribunal for Lebanon so that the culture of impunity for assassinations in Lebanon comes to an end.

Nicholas Soames (Mid Sussex) (Con): May I congratulate my right hon. Friend on the alterations he has made to the mission and structure of the Foreign Office? Will he confirm that it is his intention to deploy diplomatic staff to those areas of the world where they are most needed to further Britain's interests?

Mr Hague: Yes, I will certainly do that. I think that what my hon. Friend is driving at is that that will require some changes because the patterns of economic, political and diplomatic power in the world are changing, so we will need to adjust our diplomatic weight. That is what I am weighing up at the moment and we will make announcements to the House within the next couple of months.

Afghanistan (Corruption)

7. **Paul Flynn** (Newport West) (Lab): What recent steps his Department has taken to support measures to reduce the incidence of corruption in Afghanistan. [37146]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): We are encouraging the Government of Afghanistan to live up to the commitments they made on anti-corruption at the conferences in Kabul and London last year. In addition, I met yesterday with General McMaster, the head of the international security assistance force's anti-corruption task force, to discuss how the coalition could assist Afghanistan in bringing those involved in corrupt practices to justice.

Paul Flynn: Has it been worth the sacrifice of 350 of our valiant British soldiers to protect the election-rigging President of Afghanistan who refuses to arrest his corrupt brother, the vice president who was caught smuggling $51 million to his bolthole in Dubai, or the Government cronies who have stolen 70% of the country's GDP from the national bank? Is not the truth that it is not the system that is corrupt in Afghanistan, but that corruption is the system?

Alistair Burt: There are, of course, wider issues involving national security that contribute to the presence of our forces in Afghanistan, in company with those of 47 other nations. It is not appropriate to discuss individuals, but I should say that the British Government are entirely clear: no one is above the law, no one is above inquiry, and the people of Afghanistan deserve a system of justice that ensures justice for all and that those involved in corruption are brought to book.

BBC World Service

8. **Mr Frank Roy** (Motherwell and Wishaw) (Lab): What steps he plans to take to maintain provision of BBC World Service radio services when responsibility for its funding is transferred to the BBC Trust. [37147]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I will continue, as now, to set the objectives, priorities and targets for the BBC World Service with the BBC for 2014 and beyond. No foreign language service will be closed without my written authority.

Mr Roy: The BBC tells us that this Government cut will result in the loss of 30 million listeners and 650 jobs. Would the Foreign Secretary describe that as a price worth paying—yes or no?

Mr Hague: With the World Service, we are having to make sure that public money is spent as carefully as possible. As the hon. Gentleman knows, that has meant reductions across the Government. That is the legacy that this Government inherited from the vast debts piled up by the previous Administration, and none of it would be necessary were it not for that.

We are asking the World Service to bear the same proportionate reduction as the Foreign Office over the period 2008 to 2014. I think that is a fair thing to do, and I should let the hon. Gentleman know that the director-general of the BBC has stated his intention, when it is transferred into the BBC from 2014, to increase investment in the World Service again and hold it at a higher level until the end of the BBC charter period.

Rory Stewart (Penrith and The Border) (Con): Would the Foreign Secretary please suggest whether it is possible to put a more formal structure in place, so that the BBC can guarantee the kind of proportion of money spent on the World Service over the next 10 years?

Mr Hague: There is a formal structure relating to decisions about openings and closures of language services; those will remain the same, and the objectives and priorities of the BBC World Service will continue to be set in the same way. To respond to my hon. Friend's point, that structure does not guarantee the absolute level of expenditure or investment by the BBC, but I would point out again that Mark Thompson, the director-general of the BBC, has said that his intention, subject to approval from the BBC Trust, is to increase the level of investment in the BBC World Service, and therefore I am sure that bringing the BBC and the World Service together is the right move for the future.

Sudan

9. **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): What recent assessment he has made of the political situation in Sudan; and if he will make a statement. [37148]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): The southern Sudan referendum is a momentous step towards the implementation of the comprehensive peace agreement. We welcome the positive reactions of the north and of observers of the referendum as we await the formal results. We will support north and south as they work on the remaining CPA issues, but obviously we will not be taking our eye off Darfur, as we work tirelessly to establish a lasting peace in that troubled province.

Cathy Jamieson: I thank the Minister for that answer, and I am sure he will be aware of the concerns shared across the international community on the continued presence of the Lords Resistance Army in south Sudan. A joint non-governmental organisation briefing in December 2010, entitled "Ghosts of Christmas Past", documented some of the atrocities committed by that organisation on Christmas eve 2008. What assessment can the Minister can give us of the efforts of the international community to prevent the rise of that organisation in south Sudan and across the region?

Mr Bellingham: I am grateful to the hon. Lady for raising the subject of the Lords Resistance Army. It is an organisation comprising about 400 fighters, under the leadership of an extremely evil commander, and although it is small, it can wreak havoc; it is able to displace many communities and terrorise many people. We are sparing no effort at all in helping those countries who are on the front line of tackling the LRA, and we are doing all we possibly can to bring its leader to justice in the International Criminal Court as well.

Duncan Hames (Chippenham) (LD): There are strong bonds with Sudan across the Salisbury diocese, including between Holt school in my own village and a school in Juba in southern Sudan, where educational resources are very stretched. In light of the referendum, there are growing concerns for the Christian minority that will be left in the north. What representations have the Government made to the Sudanese authorities about the importance of protecting minorities throughout Sudan?

Mr Bellingham: I am grateful to my hon. Friend for asking that question, because we are working very closely with the Government of Sudan. We made it clear to President Bashir's Government that his requirements for debt relief are conditional not just on making progress on the CPA and achieving an inclusive peace with justice in Darfur, but on having a policy that respects the rights of all parts of that country.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): I very much welcome what the Minister said about south Sudan and, particularly, Darfur. Last week, Human Rights Watch said:

"There are clear signs that the situation in Darfur is getting worse"

and

"the international community is failing to monitor and respond properly to what is happening".

Does he agree that now is the time to give real priority to resolving the long-running and tragic crisis in Darfur?

Mr Bellingham: I agree with the shadow Minister on that, because we must not take our eye off Darfur and there have been some worrying concerns recently—for example, three Bulgarian humanitarian pilots were captured, and we are demanding their immediate release—but I am pleased that significant progress has been made in the recent negotiations under the chief mediator, Djibril Bassolé, in Doha. In fact, two parts of the rebel forces—the Justice and Equality Movement and the Liberation and Justice Movement—have been engaged in the peace process. It is very important indeed that the Sudan Liberation Army now comes to the table and that every possible effort is made to build peace in that troubled province. Unless that peace is secured, there really cannot be a way forward and a future for Sudan.

Greg Mulholland (Leeds North West) (LD): President al-Bashir has said that southern Sudanese living in the north will be classed as foreigners and will lose rights accordingly. What will the UK Government do to ensure that the citizenship issues are properly resolved, so that people can live in the north or the south and have their rights protected accordingly?

Mr Bellingham: I certainly share my hon. Friend's concern about the southern Sudanese who have been living in the north, but I was heartened by what President Bashir said on his visit to Juba on 4 January. He made it clear that all the southerners who are living in the north are welcome to stay there, that they can move to the

south if they want to and that their rights to property and their other rights will be maintained. That is the first time that President Bashir has said that absolutely categorically, and we will do all that we can to hold him to his word.

Piracy

10. **Grahame M. Morris** (Easington) (Lab): What recent discussions he has had with ministerial colleagues on trends in the incidence of piracy. [37149]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): We are extremely concerned about international piracy—in particular, the growing incidence of piracy off the horn of Africa and in the Indian ocean. I have recently set up a cross-Whitehall working group, with the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), who has responsibility for shipping, and with the Minister for the Armed Forces. We are determined to work with the maritime industry to help it to counter the increased violence towards hijacked crews through the use of safe rooms and other improved security measures. We are considering ways to combat the so-called mother ships, which carry the pirate skiffs deep into the ocean.

Grahame M. Morris: I thank the Minister for that reply, but will he update the House on his discussions with our European allies about taking co-ordinated action to tackle piracy off the Somali coast, particularly following recent reports that Somali legislators have blocked anti-piracy legislation and even described the pirates as heroes?

Mr Bellingham: I have not heard about those comments being made by the Transitional Federal Government. If they have made those comments, we absolutely deplore them. We are working closely with our EU counterparts. In fact, we are providing the command facility for Atalanta, the EU counter-piracy force. Currently, about 30 warships are off the horn of Africa, and we are working ever closer and going more deeply into the ocean to combat the problem. But I agree with the hon. Gentleman that there must be proper co-ordination between countries, and that is why we have a cross-Whitehall working group to consider what we can do. The pirates now hold 29 vessels and 694 hostages. The problem is definitely getting worse, as the pirates have been able to expand their reach into the ocean, and that is why we need firmer, tougher and more co-ordinated action.

Miss Anne McIntosh (Thirsk and Malton) (Con): May I press the Minister more on EU co-operation? I understand that Denmark has taken quite a lead and has made some inroads into preventing piracy.

Mr Bellingham: I can assure my hon. Friend that there is ever greater EU co-operation, and that more EU countries are now coming into the combined operations. It is incredibly important that the EU should work together, but we want other countries to assist. We also need regional capacity to detain, try and imprison the pirates, which is why we are having discussions with the Governments of the Seychelles, Mauritius, Kenya and Tanzania.

Mr John Spellar (Warley) (Lab): I am glad that the Minister recognises that piracy is a growing threat to life, especially off the horn of Africa, and a big business worth more than £100 million a year, funding crime and, increasingly, terrorism. Does he accept that we are now close to a tipping point on that vital trade route? Will he work with international partners to boost the anti-piracy forces that he has mentioned, and will he consider revising their rules of engagement?

Mr Bellingham: I am grateful to the shadow Minister for his questions. I would not say that we were at a tipping point, but the problem has got worse. The pirates now have greater capability, as they can deploy much further out into the ocean through their use of mother ships. The Royal Navy is keeping the rules of engagement under review at all times, and, as I have said, we have a ministerial working party that is looking at every single option for the future.

East Jerusalem

11. **Caroline Lucas** (Brighton, Pavilion) (Green): What recent assessment he has made of the political situation in East Jerusalem. [37150]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): The hon. Lady will know that the status of East Jerusalem is fiercely contested, and that this raises political tensions. The United Kingdom takes the view that East Jerusalem is occupied territory under international law, which is why we have called on Israel to cease building settlements, and to stop the evictions and demolitions. Such actions only obstruct the peace process, under which Jerusalem's final status will be settled.

Caroline Lucas: I thank the Minister for his response. Given that he accepts the illegality of settlements on occupied territory, does he plan to support the draft UN Security Council resolution that calls for an immediate end to settlement building?

Alistair Burt: The draft resolution has not yet come forward for a vote. We are conscious of the terms in which it has been drawn, and the House will be well aware of our views on settlements. We hope to see a return to direct negotiations in which all these matters can be properly considered in order to achieve the settlement that we all want.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Recent leaks confirm that the Israelis and the Palestinians were making significant progress on agreeing on how to share Jerusalem as part of a negotiated agreement. What is the Minister saying to both sides to encourage them to resume negotiations?

Alistair Burt: The hon. Lady takes a close interest in these matters, and she will appreciate that the resolution to the question of Jerusalem's status will come about only through a negotiated settlement. We are working very hard with both sides. I was in Israel and Palestine recently, talking to Ministers there, as was my right hon. Friend the Foreign Secretary. We have also been working with other partners behind the scenes to try to ensure that there are no obstructions to a return to negotiations,

and that the settlement issue is not a barrier to those discussions. There are other issues relating to borders, refugees and Jerusalem that must be discussed, and the sooner the parties get together, the better.

Christmas Day Service (Cyprus)

12. **Mike Freer** (Finchley and Golders Green) (Con): What discussions he has had with his EU counterparts on the disruption of a Christmas day service in Rizokarpaso, Cyprus. [37151]

The Minister for Europe (Mr David Lidington): We have not had discussions in an EU context on this deeply regrettable incident, but my officials in Nicosia have met Archbishop Chrysostomos and made representations to senior political figures in the north of the island to emphasise the importance that we accord to allowing people in all parts of Cyprus to practise their religion freely.

Mike Freer: I thank the Minister for those words on the unacceptable behaviour of Turkey's troops in disrupting a Christmas day mass. Does he agree that Turkey should not be allowed to accede to the EU without guaranteeing religious freedoms?

Mr Lidington: Any candidate country that wants EU membership has to subscribe to, and apply, the democratic values that are central to the European Union, including the freedom to express religion and to worship freely.

Commonwealth (UK Role)

13. **Julian Smith** (Skipton and Ripon) (Con): What plans he has for the future role of the UK in the Commonwealth. [37153]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I remain committed to strengthening the UK's relationship with the Commonwealth and ensuring that we are at the centre of plans to reinvigorate this unique organisation for the benefit of all its current and future members. This ready-made network can further our foreign policy and economic interests.

Julian Smith: Following the Foreign Secretary's highly successful trip to Australia and New Zealand, what opportunities has he identified for increasing trade between Britain and that part of the Commonwealth?

Mr Hague: There are huge opportunities to do that. I was the first Foreign Secretary for 17 years to go to Australia. There was a certain omission in that respect under the previous Government. I spoke there to the Australian British Chamber of Commerce, which revealed tremendous opportunities further to boost trade and the economic ties between our countries. The Commonwealth now accounts for a growing share of world trade, so that is an added dimension to the importance of that remarkable organisation.

Chris Bryant (Rhondda) (Lab): As the Foreign Secretary knows, the previous Government had started negotiations and discussions about the Act of Settlement with other Commonwealth countries that share our monarch as their Head of State. Does he agree that the provisions that mean that no Catholic or anyone who does not subscribe to the Church of England can become monarch are outdated, as are the rules on male primogeniture? Will he pursue those conversations with those countries?

Mr Hague: I recognise the force of the arguments about something that was originally set out more than 300 years ago. Among the issues of middle east peace, the Iranian nuclear programme and so on, I have not yet put that at the top of my list to negotiate with other Governments, but it is a legitimate issue for the long term, on which all the Commonwealth Governments with the Queen as Head of State would have to be consulted and agree.

Richard Ottaway (Croydon South) (Con): Does the Foreign Secretary agree that Commonwealth countries are the emerging markets of the future? As he develops his hard-headed internationalism, will he recognise that the network that is the Commonwealth, together with our influence, represent a huge opportunity for the United Kingdom?

Mr Hague: Indeed. The Commonwealth now includes 54 nations on six continents, with 31% of the world's population. It has, as I said, an increasing share of the world's trade, and the proportion of the members of the Commonwealth's trade with each other is growing, so it is not an organisation of the past. It will have increasing importance in the future.

Kashmir

14. **Chris Leslie** (Nottingham East) (Lab/Co-op): What steps he plans to take to promote a peaceful resolution to the dispute in Kashmir. [37154]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): Although it is the long-standing policy of successive Governments that, ultimately, the issue of Kashmir is one for the Governments of India and Pakistan to find an answer to while taking into account the wishes of the Kashmiri people, we recognise the deep concern that many MPs feel. We are keen to encourage the confidence-building measures that are emerging from the intermittent but continuing bilateral discussions between India and Pakistan, which we hope to see progress this year.

Chris Leslie: Surely the Foreign Office must be concerned at the ongoing problems with curfews and human rights abuses that are being reported in Kashmir. Will the Minister agree to meet a cross-party delegation of Members of Parliament specifically to address the need for demilitarisation and, we hope, a peaceful dialogue that involves the Kashmiri people themselves?

Alistair Burt: We do indeed acknowledge exactly what the hon. Gentleman has said. We apply United Kingdom funds to confidence-building measures, conflict prevention and human rights monitoring on both sides of the line of control, with a view to assisting in dealing with the difficult issues that have been particularly highlighted in the past year. The short answer to his question is yes, of course I will meet a delegation of all-party colleagues.

Tunisia

15. **Jeremy Corbyn** (Islington North) (Lab): What recent assessment he has made of the political situation in Tunisia. [37155]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I called the outgoing Foreign Minister of the Tunisian Government last week to urge the Tunisian Government to reach out to the Opposition. We welcome the reshuffle that was announced on 27 January. The Tunisian Government should now build on that by implementing reform commitments, and I hope they will also ask for assistance not only in elections, but in building democratic institutions.

Jeremy Corbyn: Does the Foreign Secretary recognise that the mass demonstrations in Tunisia may have gone off the screens, but they have not gone off the streets of the capital, and that demands are still being made there for human rights, freedom and democracy, an end to one-party rule and, above all, economic justice, because the neo-liberal economics has led to massive levels of youth unemployment, which has sparked off the wave of revolt across north Africa?

Mr Hague: Broadly, yes. We should welcome the steps taken by the Tunisian authorities to liberalise the media, release many political prisoners and establish commissions to investigate corruption and human rights abuses during the recent unrest. We discussed this at the Foreign Affairs Council of the European Union yesterday and are ready in the EU to provide immediate assistance to prepare and organise the electoral process and support a genuine democratic transition.

British Citizens (Pakistan)

16. **Stella Creasy** (Walthamstow) (Lab/Co-op): What recent discussions he has had with his counterpart in Pakistan on the deaths of British citizens in that country; and if he will make a statement. [37156]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I met the high commissioner of Pakistan yesterday to discuss with him a number of cases that have been raised by hon. Members during the course of this year about UK residents who, sadly, have been killed in Pakistan. The United Kingdom expects the very best attention to ensure that justice is done in all these cases, and I appreciated the high commissioner's interest and willingness to assist.

Stella Creasy: The Minister will be aware of the representations that I have made on behalf of a constituent, Ms Ashiq, and the challenges that her family has faced since her father was murdered in Pakistan in June 2009 in securing information and responses from the authorities about their efforts to apprehend and prosecute his killers. I know that the Minister has raised these issues with the Pakistan authorities, which are keen to be helpful, but will he update the House on what steps he has taken to ensure that his officials play an active role in helping the families of British citizens who are killed abroad to receive the appropriate support and assistance from our consulates?

Alistair Burt: Sadly, during the course of the past year, 12 UK residents have been killed in Pakistan, mostly involving family or property disputes. I have taken the opportunity raised by those cases to ensure that our post understands full well the concerns that are raised by families and Members of Parliament here, and that we do all that we can with the authorities in trying to find out information and ensure justice. There is a limit to what we can do. Pakistan is a sovereign country with a sovereign criminal system, but our consular authorities do as much as they possibly can. I welcome the assistance and intervention of the high commissioner, which might lead to continued pressure being applied on the authorities to do even more, and I hope that the hon. Lady has a successful visit to Pakistan shortly with colleagues to see what more can be done there.

Topical Questions

T1. [37165] **Fiona O'Donnell** (East Lothian) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): Against a background of huge protests in Cairo today, we welcome Vice-President Suleiman's statement that he intends to contact opposition parties to discuss political reform, but the new cabinet appointed by President Mubarak this week is disappointing in that it does not constitute the broad-based representative Government whom the people of Egypt seem to be seeking, and we continue to make this clear to the Egyptian authorities.

Fiona O'Donnell: What discussions is the Foreign Secretary undertaking to ensure the safety of British officials and non-governmental organisations on the ground in Egypt?

Mr Hague: A huge amount of work is being done by our consular staff, by our embassy, by the rapid deployment team that we have sent to Cairo, and we are taking every step possible to assure the safety of those people. We have been advising people in Cairo, Alexandria and Suez to leave if they can and if they have no pressing reason to remain. The vast majority of those seeking to do so have been able to do so on commercial flights, but I have also decided to send a charter aircraft to enable further British nationals to leave the country, if they wish to do so. That will set off for Egypt tomorrow and I will send further flights if necessary to ensure that people are able to leave if they wish to do so. But, of course, many remain, doing their work in Egypt, and we should salute the work they are doing.

T2. [37166] **Jesse Norman** (Hereford and South Herefordshire) (Con): My constituent, Michael Hearn, was arrested on 8 December 2010 for a technical infringement of a local law by his employer, an infringement that he did not himself commit, and he has been in jail in Tawfiq detention centre in Afghanistan ever since then. I wrote last month to the Foreign Secretary to seek his intervention in this matter. Can my hon. Friend assure the House that he is doing everything possible to secure Mr. Hearn's release?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): Our consular officials have been in touch with Mr Hearn. They had a meeting with him as recently as 24 January, and he has access to legal advisers, and our consular officials have been in touch with them. We cannot intervene in the Afghanistan judicial process to seek an individual's release, but we are doing all that we can to ensure his welfare and to make sure that he is in the centre that he wishes to be in rather than in prison. We will continue to support him during his detention and support the lawyers in their legal processes.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I note and welcome the fact that the Foreign Secretary is due to speak to Vice-President Suleiman after questions this afternoon. Is the right hon. Gentleman prepared to share with the House what specific steps he will be encouraging the vice-president to now take, beyond the discussions that he has already mentioned, to ensure the orderly transition to free and fair elections and the broad-based Government that EU Foreign Ministers agreed upon yesterday?

Mr Hague: That is the direction in which we would like the Egyptian authorities to move. As I have said, it is disappointing that the new Cabinet does not constitute the broad-based Administration that we, the rest of the EU and so many of Egypt's friends around the world were looking for. We continue to urge the Egyptian authorities to take the necessary steps to form such a Government to ensure that real, visible and believable reform is presented to the people of Egypt, as well as effective guarantees of free and fair elections. We think that it is necessary for them to respond to the mood and demands of the Egyptian people and to do so quickly if there is to be an orderly transition, rather than a violent and disorderly situation.

T7. [37171] **Priti Patel** (Witham) (Con): Between now and 2016, the UK will hand over almost £50 billion of hard-pressed British taxpayers' money to the European Union. Will the Foreign Secretary give hard-pressed constituents and British taxpayers an assurance that he will work with colleagues across all Government Departments to reduce that vast contribution, which could be better spent keeping the deficit low in this country and improving public services?

The Minister for Europe (Mr David Lidington): As my hon. Friend knows, we inherited from the previous Government a budget settlement that gave away a huge chunk of the UK rebate and bound us to increased contributions to the EU, but I assure her and her constituents that every Minister in this Government is committed to budgetary controls and to maximum economy, discipline and value for money in every aspect of European expenditure.

T3. [37167] **David Cairns** (Inverclyde) (Lab): A couple of months ago, the Ugandan gay rights campaigner David Kato asked me to raise in this Chamber the issue of the persecution of gay men and women in that country. Last week, David was beaten to death in his home in Kampala. Will the Foreign Secretary join me not only in condemning the murder, but in calling on the Ugandan Parliament and Ugandan politicians to cease the hateful and vile rhetoric that they deploy against gay people, which led directly to this murder, so that David Kato will have not died in vain?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): We have made our view very clear to the Ugandan Government. I agree with the hon. Gentleman that the tragic death of David Kato, who was a prominent Christian and gay rights activist, was a tragedy and have issued a statement of condolence, and I am glad that President Obama has as well. I hope that no effort will be spared in bringing the perpetrators of this wicked crime to justice.

Pauline Latham (Mid Derbyshire) (Con): Following the premature release of al-Megrahi, do the Government have any plans to send more NHS cancer patients to Libya, given the better survival rate there? How does the Secretary of State feel this disgraceful leak will affect our relationship with the United States of America?

Mr Hague: I detect from my hon. Friend's question that she did not agree with the release of Mr Megrahi. Nether did I, and nor did my right hon. Friend the Prime Minister. Nevertheless, it was a decision taken by the Scottish Executive. On the question of relations with the United States, the Prime Minister undertook to have the Cabinet Secretary look at past papers on this case, and his report will be published shortly.

T5. [37169] **Sheila Gilmore** (Edinburgh East) (Lab): Will the Foreign Secretary update us on the situation in Somalia and any action the British Government have taken, given the reports of fresh killings and fighting between police and troops in Mogadishu?

Mr Bellingham: We are doing all we can to support the transitional federal Government and are pleased that the African Union mission in Somalia has come up to its mandated strength. We are working not only with the TFG, who must get their act together within the next seven months before their mandate runs out, but with the provincial Government of Somaliland and moderate clans in south and central Somalia.

Robert Halfon (Harlow) (Con): Following the Secretary of State's answer to my hon. Friend the Member for Mid Derbyshire (Pauline Latham) on the release of the Lockerbie bomber, does he not agree that the previous Government hid behind the fig leaf of devolution in order to release a mass terrorist on dubious commercial grounds? Will he take steps to ensure that such a thing never happens again?

Mr Hague: As I have said, the Cabinet Secretary's report on that will be published in the not-too-distant future, so it would be wise to wait for that, rather than trying to anticipate it.

T6. [37170] **Paul Goggins** (Wythenshawe and Sale East) (Lab): The Bribery Act 2010 was due to be implemented in April, but Ministers confirmed yesterday that it will now be delayed. Is the Foreign Secretary not concerned that that delay could diminish the international reputation of British industry, even though most British companies behave perfectly ethically? The legislation passed through Parliament with all-party support.

Mr Hague: The reputation of British industry on that issue is very high throughout the world, and the reputation of the British Government—actually, of successive Governments—is high on that issue, too. Both parties in the coalition supported the Bribery Act when in opposition, we support it now, and it will be brought in rigorously, effectively and fairly.

Damian Hinds (East Hampshire) (Con): The family of Dr Alastair Penney, who is shortly to be released from jail in Taiwan, are concerned about the arrangements for his transfer back to the UK—to ensure that any appropriate medical assistance can be given. Will my hon. Friend the Minister meet Dr Penney's family to ensure that their concerns can be addressed?

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): I am aware of the case, and I pay tribute to my hon. Friend for the diligence with which he has pursued it. I shall examine it again, and, if it requires further work or a meeting with him and officials from my Department, I shall make the necessary arrangements.

T8. [37172] **Lyn Brown** (West Ham) (Lab): Following the earlier question from my hon. Friend the Member for Inverclyde (David Cairns), it seems clear that the anti-homosexuality Bill that is before the Ugandan Parliament is creating terrifying conditions for lesbian, gay and transgendered people in Uganda. Will the Foreign Secretary consider the role that aid has to play in ensuring good human rights and in encouraging good governance?

Mr Bellingham: I am grateful to the hon. Lady for raising the issue again. Our high commissioner in Kampala has taken every appropriate opportunity to engage the Ugandan Government on the issue, and to make his views known on the anti-homosexuality Bill that was tabled in October 2009. I met President Museveni back in the summer, when I discussed the matter with him and made it very clear that we expected his Government to respect human rights, Christian rights, gay rights, and all rights.

Mrs Anne Main (St Albans) (Con): Given the fluid and volatile situation in Egypt, my constituent, Mrs Hugget, and others do not wish to travel to Sharm el Sheikh. What advice can the Minister give them? Their travel companies are obliging them to take their holiday, even though they do not wish to go and their travel insurance will not apply.

Mr Hague: We take great care over our travel advice, and we review it not only day by day, but hour by hour. Of course, our concentration is on getting out of the difficult areas the British nationals who are stranded there and wish to leave. We constantly review the advice on the Red sea resorts, but I have to advise my hon. Friend that her constituents should keep in close touch with the travel company. If we feel it necessary to change the advice, we will do so and work with the travel companies in doing so.

T9. [37173] **Mr Stephen Hepburn** (Jarrow) (Lab): Given the Navy's policy of catch and release, is it not little wonder that the number of incidents of piracy and the average ransom demand have doubled over the past 12 months? Will the Minister take on board and bring up the idea of special courts in the region, so that we not only take the weight off Kenya, but bring more of those pirates to justice?

Mr Bellingham: Since the coalition Government came to power, the Navy have not apprehended any pirates and simply sent them on their way. That happened a bit in the past, but it does not happen under this Government. We take the whole issue of piracy incredibly seriously, but it is absolutely vital that we build regional capacity to detain, try and imprison the pirates.

Geoffrey Clifton-Brown (The Cotswolds) (Con): My right hon. Friend might be aware that I was lucky enough to be able to witness the end of the referendum in south Sudan the other day, and to witness the jubilation of the people there. Nevertheless, there is huge corruption, very little infrastructure and very few skills to run a Government in that country. What role can the UK Government and the international community play in helping to form a new Government in south Sudan, if that is what the people have voted for?

Mr Hague: I think we have a major role to play, and so do many other nations throughout the world with extensive development budgets. It will be a huge task to create the institutions for a functioning new state in the south of Sudan, but we will be there to assist with that through a diplomatic presence, a development programme and the provision of expertise, so the south Sudanese will find in the United Kingdom and in many other nations people who are ready and willing to help.

Mr Ben Bradshaw (Exeter) (Lab): The Foreign Secretary clearly understands the added urgency presented by events in Egypt and elsewhere in making progress on the middle east peace process. Is not now the time for the Quartet or the United States, or both, to present, in the admirable way that he did earlier at the Dispatch Box, their final framework for a settlement to the United Nations to help to break the impasse?

Mr Hague: A meeting of the Quartet is planned for this weekend. I hope that it will be possible for the Quartet or the United States to set out the parameters within which everyone should now be working on the middle east peace process. I cannot guarantee that that will happen, but the British Government would certainly like it to happen. We think there should be a real urgency to the middle east process, with a way back into the direct talks, and we are doing our utmost to assist in that. Over the past two weeks, I have held conversations about this with President Abbas, with the Israeli Foreign Minister and, of course, with Secretary Clinton. It is time, yes, to set out parameters, including basing a settlement on the 1967 borders.

Mr David Burrowes (Enfield, Southgate) (Con): Following the latest meeting of the Secretary-General with both Cypriot leaders, will the Secretary of State reaffirm, not least as a guarantor power, this country's commitment to seeing a solution to the problem of Cyprus, whose division has scarred both the island and Europe for far too long?

Mr Lidington: Yes, we remain committed to seeking a bi-communal, bi-zonal federation of Cyprus with respect for the human rights of all communities, and we very much hope that the current process led by the United Nations will be successful in reaching that outcome.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): The Foreign Secretary said earlier that he was helping south Sudan. No doubt he is pleased at the emergence of a new independent nation in the international community. What representations is he making about the deferred referendum in Abyei?

Mr Hague: There has been a referendum in the south of Sudan in which it is thought that 99% of people voted for independence. The hon. Gentleman should not get too excited about the parallels in this case. The question of Abyei is one of the outstanding issues that requires negotiation between north and south as part of the comprehensive peace agreement. It is the major stumbling block in those negotiations, which need to be completed before 9 July. The south of Sudan is heading for independence, and we are doing everything we can to assist, including offering expertise in the demarcation of the border. I have had two conversations with former President Mbeki of South Africa, who is trying to bring the parties together, and we will continue to give every diplomatic assistance.

Andrew Bridgen (North West Leicestershire) (Con): Zimbabwe used to be part of the bread basket of Africa, but for many years now it has been a basket case. Events unfolding in Zimbabwe over the next 12 months may well shape its future for many years to come. What steps are Her Majesty's Government taking to ensure free and fair elections in Zimbabwe and a return to true democratic government?

Mr Bellingham: I am grateful to my hon. Friend for asking that question. Zimbabwe is facing a dramatic year. We are working closely with the South Africans, who are putting together a road map towards credible elections. It is most likely that there will be a referendum on the new constitution some time this spring or summer. It is absolutely essential that it goes smoothly and that it is free and fair and completely credible, because it will be observed very closely as the forerunner for presidential and parliamentary elections possibly later this year or next year.

Mr Denis MacShane (Rotherham) (Lab): The Secretary of State will shortly be appointing some very senior officials to some of the most important diplomatic posts of our nation. Will he assure the House that those who represent Her Majesty and the Government abroad, especially in Europe, speak and read, as the norm, a language other than English?

Mr Hague: Yes, British diplomats are renowned for their language skills. That is why I was very disappointed when the Government whom the right hon. Gentleman supported closed the Foreign Office language school two years ago. It is a difficult thing to put back together. I am now looking not so much at putting it back together but at increasing the learning of hard languages in the Foreign Office. I will be allocating additional funds—*[Interruption.]* This is the answer to the question. I will be allocating additional funds for the learning of hard languages in the Foreign Office. It is very important that people who go to embassies, including around Europe, are able to speak those languages.

Paul Uppal (Wolverhampton South West) (Con): Probably the worst place in the world at the moment to be female or a child is the Democratic Republic of the Congo, where dreadful violations of human rights have been occurring, particularly in the east. Can the Secretary of State please give me his assessment of the current situation, especially as UN forces intend to withdraw in June this year?

Mr Bellingham: I share my hon. Friend's concern about what is happening in the east of the DRC, particularly in the Kivus. We are working closely with a number of non-governmental organisations, and with MONUSCO, the UN mission in the DRC. We will focus relentlessly and tirelessly on the points that he raised.

Several hon. Members *rose—*

Mr Speaker: Order. I am sorry to disappoint colleagues. It is clear that Members simply cannot get enough of the Foreign Office team, to whom we are grateful.

Points of Order

3.35 pm

Mike Gapes (Ilford South) (Lab/Co-op): On a point of order, Mr Speaker. Early in Foreign Office questions, the Foreign Secretary referred to a written statement that was tabled today. I went to the Vote Office during questions and tried to get a copy of that statement. It was not there. I was told that the Library had received it at 10.10 this morning, but that copies were not available in the Vote Office. Please can we ensure that Departments make sure that the Vote Office gets statements, particularly those that are referred to directly in the questions that are taking place at the time?

Mr Speaker: I thank the hon. Gentleman for his point of order. It has been characteristically courteously noted by the Foreign Secretary on the Front Bench. I am happy to look into the matter on this occasion.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): On a point of order, Mr Speaker. Last Thursday in Transport questions, I asked the Secretary of State for Transport whether the Government's serious proposals concerning the coastguard were accompanied by a proper risk assessment. He replied:

"Of course the proposals have been risk-assessed."—[*Official Report*, 27 January 2011; Vol. 522, c. 436.]

However, I was told in Stornoway yesterday and at a briefing in the House of Commons this afternoon by the chief executive of the Maritime and Coastguard Agency that no formal risk assessment has been done on the Government's serious proposals for the reorganisation of the coastguard. Those proposals worry people in my constituency quite a lot, given the weather and the volume of traffic. Can we have the Secretary of State for Transport back in the House to clarify exactly what is happening and, with a bit of luck, to bring forward the risk assessment that he said had been done?

Mr Speaker: I thank the hon. Gentleman for his point of order. He has placed his concerns on the record. There are established procedures for the correction of ministerial statements or answers if and when it is necessary.

NHS Acute Medical and Surgical Services (Working Time Directive)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.37 pm

Charlotte Leslie (Bristol North West) (Con): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to conduct an assessment of the impact of the European Union Working Time Directive on NHS acute medical and surgical services; to require the Secretary of State to make provision to exempt NHS acute medical and surgical services from the European Union Working Time Directive in the light of that assessment if certain conditions are met; and for connected purposes.

Before I start, I must declare an interest. My father has been a consultant orthopaedic surgeon in Bristol for more than 30 years and has just retired. If growing up in a medical family has taught me anything—I have seen the NHS under a succession of Conservative and Labour Governments—it is that politicians must listen to the professionals who know the most about the NHS, medicine and patients: the doctors. If politics is to serve the place outside these four walls, it has to get real. It has to listen to real people and get lessons from the real professionals working in our hospitals today.

I bring the Bill before the House for one reason: the people who know best about patient care—the doctors—have been raising the alarm to say that the 48-hour European working time directive is endangering patient safety. That is serious, and it is not what the directive was ever intended to do. The directive was designed to ensure that workers were not subjected to overlong working hours and were entitled to reasonable pay and conditions, time off and paid leave. In reality, that well-meaning directive is endangering patient safety in four key ways. I will expand on those four factors in the brief time that I have, because I believe that they speak for themselves. First, continuity of care is being eroded. Secondly, trainee doctors are being denied the training that they need. Thirdly, appropriate clinical expertise is not available to patients when they need it, and fourthly, I add with a certain grim irony that junior and senior doctors are more exhausted by the shift rotas that the directive imposes than they were before.

I shall elaborate. Continuity of care is sometimes an overlooked factor of medical health care, but it is absolutely key. It is what allows professionals to use their professional expertise on a patient. That link between the patient and the person caring for them is vital, but the shift rota system that has been imposed under the European working time directive has meant that there are far more handovers of patients to a new doctor. At those handover points, complications arise because crucial information can be missed out and not passed on. Handovers did occur under the old system, but they were far less frequent.

From the patient's point of view, the shift system has meant that instead of having one or two doctors whom they know and begin to trust, and who have seen them from the beginning to the end of their treatment, patients are subjected to a seemingly never-ending conveyor belt of doctors. From the doctor's point of view, there is a kind of patient pass the parcel. That absolutely must

stop. It is no good for the patient's care, no good for their experience of their treatment and it is clinically risky. In fact, a third of all doctors have said that since the European working time directive was implemented, they have seen significant deterioration in patients over the handover period.

The training of our doctors for the future is also suffering. The Royal College of Surgeons has estimated that 400,000 hours of surgical time are lost every single month. It does not take a genius to work out that if the trainees are not getting the hours in, they cannot get the training that they need. Two thirds of trainees have said that they have seen significant deterioration in their training in the short time that the working time directive has been fully implemented. The irony is that the directive was supposed to alleviate the exhaustion of junior doctors, but because all their hours are clumped together in one go, it has actually led to more exhaustion. More exhausted doctors are getting less training, and it does not need me to expand on that for all Members to see that it is madness.

Particularly worrying from a patient's point of view is that clinical expertise is not there when it is needed. If there are fewer people available, there are fewer specialist doctors when they are needed. For example, a doctor has told me that whereas before there would have been an orthopaedic senior house officer, a urology junior doctor and a general surgery SHO on duty at night in case any complications arose, under the working time directive, there might be only the general surgery SHO. If a complication arises with a patient's treatment, they will not have the specialist doctor available to them that they would have had before the directive was imposed.

Attempts to solve the problem are very expensive, and I do not just mean the human cost, which is obviously the key issue. There is also the economic cost. The attempts to patch up the gaps left in the provision of health care professionals and doctors has led to an explosion in the number of NHS hospital locums being employed. The cost of that to the public purse has doubled in the past two years to a staggering £700 million, and the cost of surgical NHS locums has also doubled.

This cannot be allowed to continue. No one is advocating a situation in which junior doctors work too long to be able to perform their job, and the RCS has mentioned a 65-hour working limit. However, under the current arrangements, doctors are more exhausted, there is less training and patient safety is being compromised. That was never the intention behind the directive, and there are ways in which the Government can act. The police and armed forces already have an exemption from the directive. My Bill calls for the reality of the European working time directive to be assessed properly and for appropriate action to be taken to allow doctors to look after their patients in the way that they intended when they went into the profession.

We all have constituents who are patients and those who are junior doctors. No Member would seek to put their constituents' safety at risk, and no Member would seek to stifle junior doctors' desire and ability to perform the job that they went into the profession to do. That is why I seek to bring the Bill before the House.

Question put and agreed to.

Ordered,

That Charlotte Leslie, Dr Phillip Lee, Jack Lopresti, Craig Whittaker, Dr Sarah Wollaston, John Hemming, Rebecca Harris, Nick de Bois, Damian Hinds, Stephen Phillips and Stephen Barclay present the Bill.

Charlotte Leslie accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 10 June, and to be printed (Bill 140).

European Union Bill

[5TH ALLOCATED DAY]

[Relevant document: The Fifteenth Report from the European Scrutiny Committee, The EU Bill: Restrictions on Treaties and Decisions relating to the EU, HC 682.]

Further considered in Committee

[MR LINDSAY HOYLE *in the Chair*]

Clause 15

PROTOCOL ON MEPS: APPROVAL, AND ADDITION TO LIST OF TREATIES

Question proposed, That the clause stand part of the Bill.

3.46 pm

The Minister for Europe (Mr David Lidington): The first set of clauses under consideration in Committee this afternoon relate to the transitional protocol on Members of the European Parliament, which is covered in clauses 15, 16 and 17, and schedule 2. In sum, the provisions allow for a technical change that permits a temporary increase in the number of MEPs, including one additional Member from the UK.

It might be helpful to give some background to the protocol before turning to the detail on the clauses, so that colleagues on both sides of the Committee understand the context of our proposals. The European Union treaties, as amended by the treaty of Lisbon, provide for the allocation of 18 additional MEPs to 12 member states, including one additional MEP for the UK. The treaties also provide that the number of MEPs from Germany should be reduced by three. However, the treaty of the European Union, as amended by Lisbon, states that the European Parliament shall not exceed 750 members in number, plus the President, which makes a total of 751, and that no single member state will be allocated more than 96 seats. Before the Lisbon treaty, Germany had 99 MEPs. Its allocation has therefore been reduced to 96 seats to fit within the maximum number permitted by the treaties.

The TEU also states that the European Council shall adopt a decision establishing the composition of the European Parliament. Article 2 of protocol 36 to the treaties—on transitional provisions—reaffirms that and states that the decision

"shall be adopted in good time before the 2009 European Parliament elections".

However, as the Committee will be aware, given the Irish rejection of the Lisbon treaty in its first referendum on the matter and the additional guarantees sought by Ireland in 2009 in the wake of that, there was a delay in the ratification of the Lisbon treaty by all member states—personally, I wish it had been more than a delay—and therefore a delay to the treaty entering into force.

As a result, and contrary to the relevant provision in the TEU, the 2009 European elections actually took place before any European Council decision was adopted. Those elections were therefore held in accordance with the provisions of the Nice treaty, under which the European Parliament comprises 736 MEPs.

The European Council had already agreed what to do in that situation. Back in December 2008, it agreed that, should the Lisbon treaty come into force after the 2009 European parliamentary elections, a transitional protocol would be agreed to permit those member states that gained MEPs as a result of the Lisbon treaty to elect their additional MEPs during the current European parliamentary term. This would mean that they would not have to wait until the next round of European parliamentary elections in 2014, when those changes would come into force automatically, in accordance with the treaty of Lisbon.

The arrival of 18 additional MEPs during the 2009-14 parliamentary term increases the number from 736 to 754—three more than the maximum permitted by the EU treaties, and transitional arrangements are therefore needed to enable the number of MEPs to exceed temporarily the limit of 751 laid down in article 14(2) of the treaty on European Union.

Mrs Anne Main (St Albans) (Con): I thank the Minister for giving way on the statistics about the number of MEPs. Does he have any figures showing how much these additional MEPs are costing us while we wait for the correct number to be arrived at?

Mr Lidington: I am glad to be able to tell my hon. Friend that the cost of these additional MEPs will be provided for out of the European Parliament's budget; no additional contribution is required from the United Kingdom or any other member state. That is perfectly right, and the European Parliament will already have made provision in its budget for these additional costs.

The European Council also agreed that the transitional protocol should provide that the three German MEPs who would no longer have a seat in the European Parliament would not have to stand down in the middle of their term of office, because it is not possible under the treaties to curtail an MEP's mandate during a parliamentary term. In order to make the required transitional changes, the member states of the EU agreed to a transitional protocol at a limited intergovernmental conference on 23 June 2010, under the ordinary revision procedure. Although the ORP was used, the European Parliament had previously agreed not to convene a convention of representatives of the EU institutions, member state Governments and national Parliaments, because the European Parliament recognised the very limited scope of the proposed treaty change.

The IGC was convened in the margin of the Conference of Permanent Representatives—known as COREPER—with the agreement of Ministers of each member state. IGCs are occasionally convened in COREPER meetings for single-issue matters, such as the approval of appointments of judges to the Court of Justice, and one was used on this occasion because the treaty change in question concerned a single, time-bound issue already agreed by the Heads of Government and Heads of State at the European Council, rather than a more substantial renegotiation or re-opening of the EU's treaties. I then announced to the House via a written ministerial statement on 6 July last year, at column 7WS, that the transitional protocol had been agreed.

As with any treaty change, the protocol now requires that all member states ratify it before it can enter into force. As I have already made clear in our earlier debates

in Committee, it is for each member state, when it comes to any treaty amendment, to determine whether and how it carries out its own national procedures for approval and ratification. In the United Kingdom at present, any amendment to the EU treaties conducted under the ordinary revision procedure—as was the case here—can be ratified by the UK only if it is approved by Act of Parliament. This is set out in section 5 of the European Union (Amendment) Act 2008.

Parliamentary approval of the transitional protocol is therefore required by Act before the protocol can be ratified in the UK. Clause 15 of the Bill therefore provides for this parliamentary approval. Subject to Parliament's approval, the legislation will of course require that any treaty change conducted under either the ORP or the simplified revision procedure would in future need parliamentary approval by Act. Since what we are debating is a technical change to the treaty that relates merely to the number of MEPs, and does not transfer any power or competence from the UK to the EU, it does not meet the requirements to hold a referendum. However, as the provisions in the 2008 Act require approval by Act of Parliament, we have decided to use them to seek the approval of Parliament. Section 5 of the 2008 Act would subsequently be repealed, as a consequence of clause 14, and replaced by the provisions in clauses 2 and 3 in any future decisions.

It is important to note that the additional MEPs are entitled to take their seats following the next European parliamentary elections in 2014 in any case, regardless of what the Committee determines this afternoon. The transitional protocol simply means that those people will be able to do that earlier than 2014, because the treaties would have provided for their election in 2009 had the Lisbon treaty been in force then, as was anticipated by the then Heads of Government and Heads of State. At the 2014 European parliamentary elections the additional MEPs, along with every other MEP, will be elected in the usual way, according to each member state's practice. As none of the additional MEPs could take up their places until every member state had ratified the transitional protocol, the Government have continued with our predecessor's approach, and we now seek Parliament's approval to ratify this treaty change.

The protocol states that it will enter into force on 1 December 2010, provided that all the instruments of ratification have been deposited. Failing that, the protocol would enter into force on the first day of the month after the last member state ratifying the protocol had done so. Clearly we have passed that somewhat ambitious deadline already, and it is for each member state to decide whether, how and when to approve ratification. However, it is our intention to ratify as soon as possible, subject to Parliament's approval. As I have made clear, we are discussing a short-term transitional measure, until the next European parliamentary elections, which are due to take place in June 2014. It does not transfer power or competence, and so does not require the people's consent in a referendum, but it is a treaty change. As such, it requires the approval of this Parliament through primary legislation. I hope that members of the Committee will be able to approve this temporary measure.

Emma Reynolds (Wolverhampton North East) (Lab): Let me say at the outset what a pleasure it is again to be debating the Bill with the Minister and the select group of Members currently in the Chamber. We welcome the provisions that the Government have set out to give parliamentary approval to the allocation of the UK's extra seat in the European Parliament. Having worked in the European Parliament for some time, I know the important role that it plays, but I would like to ask the Minister some questions of clarification.

Can the Minister clarify why the so-called Sainte-Laguë process was chosen to allocate the UK's extra seat in the European Parliament to the west midlands region? I understand that the method was set out in the Electoral Commission report in October last year. What consultation took place between the Government and the Electoral Commission on choosing that method? Was a joint decision made, or was it the decision of the commission or the Government? Did the Government consider any other method to allocate the extra seat, and if so, which? Which methods are being used by other member states to allocate extra seats?

The explanatory note says that the west midlands had the lowest number of electors per MP according to the current electoral register, and on that basis the decision was made to allocate the extra seat. It is perhaps ironic that, although the west midlands will be given one extra MEP, owing to the Government's plans it is set to lose several MPs. Which electoral register did the Government consider when making their decision: the one from December last year or the year before? Can the Minister tell the Committee what progress other member states are making on ratifying the protocol to increase the number of MEPs, and when he expects the UK to take up its extra seat in the European Parliament?

Mr Denis MacShane (Rotherham) (Lab): The Minister and my hon. Friend have set out clearly the technical reasons for adopting the clause, and I am sure that the Committee will not divide on it. Let me also tell the Minister that it is a great pleasure to have someone on the Front Bench from this Government advocating an increase in parliamentary representation. Whereas the other place so long resisted the culling of foxes, we are shortly to have a sharp culling of MPs, with a reduction in representation. It is therefore good that we are increasing representation in the European Parliament under the current proposal.

Mrs Main: I am listening with interest to the right hon. Gentleman on the issue of increasing the number of Members. Does he not share my concern that any increase in the number of elected Members will also see a proportionate increase in costs, pensions and office staff, which, sadly, this country cannot choose to afford?

Mr MacShane: The hon. Lady is quite right, but if she checks the debates on the great Reform Bill of 1832, she will find that exactly the same point was made—that any increase in representation in this country would place an unbearable cost on the Exchequer.

4 pm

Let us return to the clause, which is relevant to the European Parliament. During the period in which the Minister stays in office—I hope he stays there for a long time, or for as long as this Government exist—I invite him to see whether he can find allies in Europe for re-examining the way in which the European Parliament

is constituted and elected. The European Parliament and its 750 Members are presently elected in one fell swoop and often in response to national political feelings for the Government of the day. To Strasbourg, then, are sent the opponents of whoever might be the national Government of the day. The European Parliament vote is often a protest vote—not in all countries, but in many, including very much our own.

Could we look at electing the European Parliament in the same way as the American Senate—in thirds every two or three years, rather than in one fell swoop through an election every five years? Could we allocate some European Parliament seats following the election of national Parliaments so that the people in the European Parliament more adequately reflected the will of the people as expressed in individual nation states? We have 750 Members of the European Parliament in comparison with about 7,000 to 8,000 national parliamentarians, who feel excluded largely from the European decision-making process.

As I patrol the different European capitals, I find that issue to be one of increasing concern—and it does not matter whether one is a pro-European or a Eurosceptic. Whether they are parliamentarians in the Bundestag or the Assemblée Nationale, in the Cortes in Spain or the Riksdag in Sweden, they do not feel as nationally elected MPs that they have much say over the decisions that relate to European Union membership—decisions either taken by national Governments on our behalf or taken collectively by the European Union. Might there be a case for an upper House in the European Parliament, nominated by—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. Upper Houses are not relevant to this stand part debate, so let us stick to the clause. I am sure that Mr MacShane will want to come back to that subject.

Mr MacShane: I am tempted to say—though, thank goodness, oral amendments are not allowed in Committee of the whole House—that the increase in MEPs at the heart of this part of the Bill could be allocated to representatives from national Parliaments at some future date. I am just stretching the limits of order—*[Interruption.]* I am about to sit down, Mr Hoyle. I am inviting the Minister to open a debate about how to make the European Parliament more representative and more reflective of the national will in the different countries that constitute the EU. That might require a small treaty change, but not, I am sure, a significant one, so we would not need to initiate the referendum provisions.

We often knock the European Parliament because of expenses or costs or decisions it has taken that we do not like, which is frankly rather childish. What we need is a more serious debate about making the European Parliament more effective, more efficient and more representative—leaving aside those who want to abolish it or to withdraw completely from it. I invite the Minister to engage with that debate, although he may well hope that once proceedings on the Bill are concluded there will be no more debate about the EU on his side of the House for the next few years.

Mr Richard Shepherd (Aldridge-Brownhills) (Con): Does the right hon. Gentleman not give any weight to what the German constitutional court said in respect of democracy—that it lies not in the institutions of the European Union or its Parliament, but in those of the national state?

Mr MacShane: The Verfassungsgericht in Germany, of course, sees the German people—das Volk—as the sovereign, and distinguishes clearly between the Bundestag and the Bundesrat. It allocates powers on a subsidiary basis—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. Again, we really are drifting from the subject, and we must return to it. The right hon. Gentleman said earlier that he was winding up his speech, but he is now broadening it again.

Mr MacShane: Not many Members wish to speak, Mr Hoyle, so I was trying to reply to the hon. Member for Aldridge-Brownhills (Mr Shepherd), but I now invite him to read some expert books on the subject instead.

Kelvin Hopkins (Luton North) (Lab) *rose—*

Mr MacShane: For the last time—because mine was intended to be a very short speech—I give way, as always, to my hon. Friend.

Kelvin Hopkins: I thank my right hon. Friend, as always, for being so generous.

No doubt we should welcome the extra seat in the European Parliament as a small extension of democracy, but my right hon. Friend is right about accountability. Would it not be a good idea for some powers to be repatriated to national Parliaments, and would it not also be a good idea to return to single-Member, first-past-the-post seats in the European Parliament? Would that not increase accountability?

The Chairman: Order. That has absolutely nothing to with the clause. I think that the right hon. Member for Rotherham (Mr MacShane) had better sum up his speech now.

Mr MacShane: Might my hon. Friend possibly accept that on this occasion I really must bow to the Chair and sit down?

Mr Lidington: A number of the questions posed by the hon. Member for Wolverhampton North East (Emma Reynolds) invited me to move from clause 15 to clauses 16 and 17. If you are willing to allow me to stray on to that territory, Mr Hoyle, I shall be able to reply to her questions now and perhaps speak more formally later when we deal with those clauses; otherwise I shall have to delay my responses to her.

The right hon. Member for Rotherham (Mr MacShane) made his points very forcefully. I agree with him that there is a disconnection between decisions made by national legislatures in just about every member state and decisions made in the European Parliament—or in Europe more generally—on behalf of those countries, and I think it important for us to consider how to remedy that democratic deficit. However, I do not want to be drawn into a detailed discussion about the treaty changes which would need to be debated and negotiated to produce the outcome that the right hon. Gentleman

seeks, and which would have to command unanimous agreement among all member states and, indeed, the European Parliament itself.

Let me say two things about the European Parliament. First, it does an important job. Whatever view I, or any other Member present, may take on whether or not it should have particular powers, my contacts with MEPs of all parties have given me the impression that, for the most part, they take their duties of scrutinising and seeking to amend European legislation very seriously. As a Government and as a Parliament, we need to have regard to and engage consistently with MEPs if we are to pursue successfully the national objectives of the United Kingdom through the European Union.

Secondly, I agree with the right hon. Gentleman that there is an unhealthy democratic gap between the way in which the European Parliament operates and the—in my opinion—correct belief held by most national legislatures that they are more directly accountable to the voters in their respective countries than are MEPs. That is, perhaps, particularly true in the United Kingdom, where there is a significant difference in the method of election: while MEPs are elected through a regional party list system, we in the House of Commons are elected to single-Member constituencies. The right hon. Gentleman has sketched what has the makings of a fruitful debate in the months and years to come.

Let me now deal with the various detailed points made by, in particular, the hon. Member for Wolverhampton North East. While I am tempted to deal at length on differences between the Sainte-Laguë and d'Hondt methods, that would probably reduce the number of Members attending the debate even further. I am happy to offer a seminar. *[Interruption.]* My hon. Friend the Member for Stone (Mr Cash) indicates that he does not wish to be drawn into a debate about the respective merits of Sainte-Laguë and d'Hondt.

Mr MacShane: Let us leave Sainte-Laguë and d'Hondt. Is the Minister in favour of the alternative vote? That is what the Committee and the nation want to know.

Mr Lidington: No.

The answer to the question asked by the hon. Member for Wolverhampton North East is that the Electoral Commission decided to use the Sainte-Laguë method following various consultations that it had carried out. There is a debate about whether we should move to that method when it comes to deciding how to elect Members of the European Parliament, but that is a matter for a future occasion.

Emma Reynolds: Will the Minister clarify whether the d'Hondt system was considered by the Electoral Commission in allocating the extra seat?

Mr Lidington: The hon. Lady knows that the Electoral Commission is completely independent of the Government, so that question should properly be addressed to the chairman and the chief executive of the commission.

The history of this process is that on 22 September 2010 the Minister with responsibility for political and constitutional reform, the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), wrote on behalf of my right hon. Friend the Deputy Prime Minister to the chair of the commission formally requesting a recommendation under section 3 of the European Parliament (Representation) Act 2003 as to which of the 12 UK electoral regions, for the purposes of European parliamentary elections, should receive the UK's additional MEP seat. UK MEPs are, of course, elected on a regional basis from 12 electoral regions—Northern Ireland, Scotland, Wales and nine regions in England. In making the recommendation for the distribution of any Member of the European Parliament, the Electoral Commission is obliged to ensure that each electoral region is allocated at least three MEPs and that the ratio of registered electors to MEPs is, as far as possible, the same in each electoral region. The Electoral Commission process is independent of Government and, importantly, the Government are bound to accept its recommendation.

In allocating the seat, the Electoral Commission applied the Sainte-Laguë method, as the hon. Lady has said, following previous consultation exercises it had undertaken on the method to be used. It has indicated that the system has the advantage of enabling it to adhere to its statutory requirement that the ratio of registered electors to MEPs is as nearly as possible the same in each electoral region. On 26 October 2010, the Electoral Commission recommended that the west midlands should be allocated the additional MEP provided for in the transitional protocol, and published a report to that effect, a copy of which was placed in the Library. My hon. Friend the Minister with responsibility for political and constitutional reform confirmed the commission's decision to the House via a written ministerial statement on 26 October 2010—column 7WS in *Hansard*. Let me place on the record now, as my hon. Friend did at the time, the Government's thanks to the commission for its work in producing that recommendation.

The hon. Lady is right that population trends and electoral numbers change over time. The answer to her direct question is that the December 2009 electoral register was used in making the calculation and the recommendation that the west midlands should receive the additional seat, but I want to make it clear to the Committee today, as the Government have stated publicly on previous occasions, that if it became likely while the Bill remained under consideration by either House that any changes to electoral registration data would result in a different UK electoral region gaining the seat, we would seek a revised recommendation from the Electoral Commission. We have acted on the basis of the December 2009 register, but if the evidence of new registers suggests that a region other than the west midlands should get the seat, we would revert to the commission for a further recommendation.

4.15 pm

Mr Wayne David (Caerphilly) (Lab): We are, of course, in a rather unusual situation with European Parliament elections, in that Gibraltar is included, and Gibraltar shares Members of the European Parliament with the south-west of England. What methods for determining the electors in Gibraltar have been used in the calculations?

Mr Lidington: I think that is a matter for the Electoral Commission. It advises that it has used the Sainte-Laguë method throughout, and in comparing electorates for each region it would have taken the Gibraltar electorate into account when making its calculation for the south-west.

[Mr Lidington]

I undertake to double-check what I have just told the hon. Gentleman; if I have inadvertently led him up the garden path, I will of course correct that on the record, but I have confidence that the Electoral Commission has done its job properly.

Mrs Main: I am listening with profound interest to my hon. Friend's remarks. Does he share my concern that, to the public outside, seemingly topping up the gravy train rather than culling it—perhaps expanding the size of the electorate for existing MEPs rather than increasing the number of MEPs—might not, in today's environment of cuts, be met with a degree of approval?

Mr Lidington: The changes to the distribution of MEPs between member states arose from new calculations about the populations of the different member states. Just as we have boundary reviews from time to time in the United Kingdom to reflect the growth of electorates in some places and the reduction in others, it is right that such a process should take place at the European level.

My hon. Friend makes a more fundamental point in her intervention, in implicitly arguing that there should be a significant overall reduction in the number of European legislators. I understand that argument, and I am certainly very much in the camp of those who argue that the European Parliament, like every other European Union institution, should be looking to reduce its expenditure rather than expect it automatically to increase. I would say just one word of caution to my hon. Friend, though. One consequence of reducing the number of MEPs overall would be either that the representation of the smallest member states would disappear completely or, if they were allowed a guaranteed minimum number of MEPs, that they would be disproportionately over-represented compared with the larger member states. The larger member states, such as ourselves, would suffer the greatest cuts in our representation if the smallest were protected, and potentially see a reduction in our influence over the European Parliament.

Kelvin Hopkins: It has just struck me that my right hon. Friend the Member for Rotherham (Mr MacShane) suggested a two-house European Parliament. I am not an enthusiast for that, but in those circumstances could you not have an arrangement similar to that for—

The Chairman of Ways and Means (Mr Lindsay Hoyle): Order. We have already ruled on that question.

Mr Lidington: I think the hon. Member for Luton North (Kelvin Hopkins) is demonstrating that he has political ambitions as yet unfulfilled.

I can now assure the hon. Member for Caerphilly (Mr David) that expert advice has reached me confirming that my trust in the Electoral Commission was well placed and that the electorate of Gibraltar were indeed considered in the context of the south-west region and assessed in accordance with the Sainte-Laguë system.

The hon. Member for Wolverhampton North East asked me about the different options for selecting the additional MEPs. The protocol allows member states to choose between three options. First, member states could use the 2009 European parliamentary election results and elect the additional MEPs as if the additional seats had existed at the time of those 2009 elections. That is the method that we have chosen.

The second option would be to hold a by-election. In this case, that would mean holding a by-election in the west midlands region for a single MEP at an estimated cost of perhaps £10 million. The third option would be for member states to appoint temporarily one of their national parliamentarians to become the new MEP for the remainder of the current European parliamentary term. *[Interruption.]* The hon. Member for Wolverhampton North East indicates that the hon. Member for Luton North or perhaps the right hon. Member for Rotherham (Mr MacShane) might be candidates in such circumstances.

The previous Government decided in February 2010 that the UK's additional MEP would be elected by reference to the results of the most recent European parliamentary elections, as though the additional seat had existed at that time. The present Government have continued our predecessor's chosen approach, and the clauses are framed in that way. That is also the method used by the great majority of other member states that are gaining MEPs. In fact, some member states elected additional MEPs during the 2009 elections on the basis that they could take up their seats only once the transitional protocol had come into force.

Our chosen method avoids the delay and the cost associated with a by-election and would allow us to return the additional MEP as soon as possible after the approval of the relevant provision in the Bill. It also has the merit of being exactly the same method that we use in any case to fill a vacant British seat in the European Parliament after the death or resignation of an elected MEP. Again, these clauses and schedule 2 would apply only until the additional seat had been filled and until the next European parliamentary election, which is scheduled for 2014.

Question put and agreed to.

Clause 15 accordingly ordered to stand part of the Bill.

Clause 16 ordered to stand part of the Bill.

Clause 17

ELECTION OF ADDITIONAL MEP

Question proposed. That the clause stand part of the Bill.

Mr David: May I briefly ask the Minister an additional question on the extra MEP, simply to gain some broader context? He mentions correctly that other member states have additional MEPs. Of course, as he points out, all member states must agree to adopt the necessary legislative procedures to bring about such MEPs, but what is the time scale? We are dealing with the situation now. I wonder whether other EU member states have had an opportunity to alter their legislation to bring out such MEPs. Are we waiting for them to do so? What is the time scale? That obviously has a bearing on when the MEP from the west midlands can take her seat.

Mr Lidington: I am grateful to the hon. Gentleman, and I apologise for having overlooked that question when it came from the hon. Member for Wolverhampton North East (Emma Reynolds). The most sensible thing

for me to do would be to write to the hon. Gentleman with a full list and to deposit a copy of that letter in the Library for the information of all Members. However, the latest information available to me is that in respect of the other member states that are gaining MEPs—or, indeed, other member states generally, because the protocol must be ratified by all 27 of them, whether they gain or lose MEPs, or whether there is no difference in the number of MEPs from a country—something like two thirds to three quarters of member states have reached the stage of notifying their accession to the proposal, but others have not done so. Germany, for example, has debated the measure in the Bundestag, but my understanding is that Germany has not yet ratified it. We are awaiting news on where France is going. Some of the others, including Hungary, the Czech Republic, Sweden, Bulgaria, Slovakia and Malta, have gone a considerable distance towards ratification already, but we are not right at the back of the pack, by any means. My expectation is that this measure will probably be ratified by all 27 member states later this year, but it could slip into 2012, because each member state can decide how high a priority it gives to this measure. I hope that that gives the hon. Gentleman an adequate holding answer for now, but I undertake to write to him with chapter and verse as soon as possible.

Question put and agreed to.

Clause 17 accordingly ordered to stand part of the Bill.

Schedule 2

Election of additional MEP

Question proposed, That the schedule be the Second schedule to the Bill.

Mr Lidington: It might be helpful if I set out in a little more detail the provisions in schedule 2, because it also deals with the procedures to be followed in the admittedly unlikely event that we were unable to fill the vacancy for the additional MEP by looking at the party lists as they were constituted in 2009.

As I have explained, clause 17 provides for the method of electing and returning the UK's additional MEP. Schedule 2 provides a series of detailed provisions to be used when undertaking the process to return that additional MEP. As a first step, the regional returning officer for the designated region—in this case, the west midlands—would be required to identify which registered party would have won the additional seat in accordance with the results of the European parliamentary elections of 4 June 2009, as though that seat had already been allocated to the west midlands at that time. Since there were no independent candidates in the west midlands at the 2009 elections, the schedule provides only for allocation to a registered party.

The regional returning officer would then be required to identify from the registered party's list of candidates at the 2009 elections the candidate whose name appeared highest on the list. In doing so, the returning officer has to disregard those people who have already been returned as MEPs, or who have since died. For example, if the registered party had proposed six candidates in an electoral region and the first three candidates on that party's list had been returned as MEPs, the returning officer would identify the fourth candidate on that party's list as the next person to be returned as an MEP. That person is referred to as the first choice.

Schedule 2 provides that the returning officer then has a duty to contact the first choice to ask whether he or she will provide written confirmation of their willingness and their ability to be returned as the MEP. The returning officer would also ask the first choice to deliver a certificate signed by, or on behalf of, the nominating officer of the registered party, confirming that he or she may be elected.

Schedule 2 further sets out the process to take place if the returning officer is unable to contact the first choice candidate or if that person confirms that, for whatever reason, they are unwilling or unable to stand, or if they do not provide the certificate required by law. In order to maximise the independence of the process, and to make it clear that there is no Government gerrymandering involved, it shall be at the discretion of the regional returning officer to determine the length of the "reasonable period" involved.

If there has been no success with the first choice candidate, the returning officer should identify the next name on the registered party's list of candidates. This candidate is referred to in the schedule as the subsequent choice, and the returning officer shall repeat the same process with that candidate. This process will continue until either the seat is filled or there are no more names on the registered party's list of candidates.

Schedule 2 then sets out what would happen if the first choice candidate provided the required documentation after the regional returning officer had determined that it was appropriate to move on to the next individual. In that case, schedule 2 provides that the so-called prior choice would have forfeited their opportunity because they had previously been given adequate opportunity by the returning officer to provide the relevant documentation within a reasonable time. They would have to wait to see whether the process could be completed successfully with the current candidate being approached by the regional returning officer. If the returning officer had no success with that subsequent candidate, the earlier candidate could be allowed at that stage to provide documentation and stake a claim.

The schedule then sets out the process to take place when a candidate has returned the required documentation to the satisfaction of the regional returning officer. The returning officer has to declare publicly in writing that that person should be returned as an MEP, prepare a public statement containing relevant information concerning the process, and send copies of both documents to the Secretary of State.

Mrs Main: The scenarios that my right hon. Friend has outlined are obviously hypothetical, but in a hypothetical scenario of, say, six candidates when three or four have been elected and the other two are, say, dead, what happens then?

4.30 pm

Mr Lidington: My hon. Friend makes a valid point. It is right that in drafting legislation, particularly on a matter as important as democratic representation, we make provision even for unlikely eventualities. If my hon. Friend will bear with me for a few seconds, I shall come to precisely the point that she identified.

When the returning officer has sent copies of the documents to the Secretary of State, the candidate will be confirmed and will be free to take up their seat as

[Mr Lidington]

soon as the transitional protocol has entered into force. That depends on ratification having taken place in every member state.

Here I come to the point raised by my hon. Friend the Member for St Albans (Mrs Main). Schedule 2 also provides that, in the event that none of the candidates on the relevant 2009 list was available or willing to be returned as an MEP, as a last resort a by-election would be held to fill the seat.

Nick Boles (Grantham and Stamford) (Con): Will my right hon. Friend tell us whether these provisions are to apply only once, in one particular case at one particular time? Is it not the case that we know perfectly well who would be most likely to benefit from the provisions? Is it not also the case that we know that she is alive and wants to be a Member of the European Parliament? Would it not be quicker just to elect Anthea McIntyre as a Member of the European Parliament for the west midlands and move on to the next clause?

Mr Lidington: My hon. Friend, as always, reminds us of practicalities and of the real world. As I said to our hon. Friend the Member for St Albans, the legislation for democratic representation must make provision for all conceivable eventualities, even if they seem highly improbable to us.

Jacob Rees-Mogg (North East Somerset) (Con): If the Bill were simply to say that Anthea McIntyre were elected, it might be in danger of becoming hybrid legislation.

Mr Lidington: I bow to my hon. Friend's constitutional knowledge. I suspect that having the Bill declared hybrid is the last thing that any of us want.

If we reached circumstances in which none of the candidates from 2009 was available or willing to be returned, a by-election would be held. The returning officer would confirm to the Secretary of State that the seat could not be filled, and the Secretary of State would lay an order by statutory instrument to specify the date of a by-election. I stress that the by-election is very much a last-resort option, and that, given the short time between the 2009 elections and now, the Government are confident that the process outlined in schedule 2 is likely to identify a candidate to fill the additional seat.

Question put and agreed to.

Schedule 2 agreed to.

Clause 19

FINANCIAL PROVISIONS

Question proposed, That the clause stand part of the Bill.

Mr Lidington: Clause 19 provides for the financial provisions associated with some of the provisions of the Bill, mainly those in part 2 required for the implementation of the transitional protocol on MEPs. Any costs incurred as a result of our implementation of the protocol will be met from the Consolidated Fund.

Chris Bryant (Rhondda) (Lab): How much will that new MEP cost?

Mr Lidington: If the hon. Gentleman will allow me to make a little progress, I will explain where potential costs might conceivably arise. Any costs would consist of the minimal costs arising from the administrative expenditure of the returning officer of the west midlands electoral region. The costs involved there will depend on what those administrative costs are, but they are costs that would have to be budgeted for in the normal way. The returning officer does not have a blank cheque that he can draw on. If the seat could not be filled in accordance with schedule 2 and a by-election had to be held, there would be costs associated with that by-election, for which clause 19 makes provision. On our best current estimate, a by-election would cost about £10 million to run.

Mr David: If there were a by-election, would it be held under the first-past-the-post or the alternative vote system?

Mr Lidington: If a by-election were to be held, my understanding is that it would be held on the basis of the first-past-the-post system, if only one candidate could be elected. Again, if I am mistaken, I will correct the record.

Mr David: May I press the Minister a little further on that? I am sure that what he is saying is correct, but would it not be strange if all the other MEPs from Britain—in fact, I would guess all the other MEPs from every other European country—were elected under a form of proportional representation, yet this one individual was the only one elected under first past the post?

Mr Lidington: The fact that this is a transitional arrangement means that it is sui generis. As the hon. Gentleman will know, normally the European Parliament has a rule that a legislator cannot have a dual mandate and be a member of both a national legislature and the European Parliament. Here we have insisted that people had to leave active membership of the House of Lords in order to take a part in the European Parliament, and Members here have had to make a choice in the past when they have held a dual mandate in the House of Commons and the European Parliament about which they wished to pursue after a particular election. Special arrangements are being made because this matter is transitional.

Tim Farron (Westmorland and Lonsdale) (LD): Perhaps I may help the Minister: essentially, a by-election in such circumstances would be under the list system. The list would just be a list of one.

Mr Lidington: My hon. Friend has helped by indicating that we would be making a somewhat academic distinction in these circumstances. It might be important theologically, but not in terms of practical politics.

Graham Stringer (Blackley and Broughton) (Lab): To carry on with the theological argument, is it not the case that PR systems reduce to first past the post when there is one vacancy in effect, with the exception of a dead heat? That is the real point on the ballot paper where there is a cross put against the name, which is a traditional

first past the post, or whether it is one, two, three or four, depending on the number of candidates. I would be grateful if the Minister could clarify.

Mr Lidington: The hon. Gentleman invites me to speculate on what the procedure would be were there to be a tie in the event of a very unlikely by-election covering the whole of the west midlands region. I will seek advice in order to be certain of my position and write to him or respond to him later in the debate.

Chris Bryant: I am grateful to the Minister for being so generous in giving way, as he always is. He has suggested that Members of this House or the House of Lords are barred from being Members of the European Parliament, but I do not think that that is the law. I would be grateful if he could advance the Act of Parliament in which that is stated. I thought that the Rev. Dr Ian Paisley was simultaneously a Member of this House and the European Parliament for a considerable time.

Mr Lidington: That was possible for a long time, but the rules were changed and the right hon. and noble Lord Bannside, as he now is, decided to leave the European Parliament at the appropriate election because he wished to remain a Member of the House of Commons.

The other costs covered by clause 19 arise by virtue of clause 13, which provides that the Electoral Commission shall

"take whatever steps they think appropriate to promote public awareness... and... may take steps they think appropriate to promote public awareness of the subject-matter"

in connection with any referendums held, pursuant to part 1 of the Bill. Clause 19 provides for any additional costs incurred as a result of that activity.

It is also worth underlining the fact that since 14 July 2009 the salaries of Members of the European Parliament are paid from the European Parliament's budget. The United Kingdom will make no direct payments as a result of the implementation of the transitional protocol on MEPs, so clause 19 makes no provision for any such payments.

Mr David: I would like to refer to one point relating to financial provisions. The Minister has referred to clause 13, which we debated last week, although in insufficient detail in my view. What possible costs could be incurred by provisions of the Bill relating to possible referendums, because the Electoral Commission is given tremendous scope? For example, clause 13(b) states that the Electoral Commission "may"—I stress that word—

"take whatever steps they think appropriate to promote public awareness of the subject-matter of the referendum."

We have also discussed the fact that there could be referendums on extremely complex and almost esoteric issues, and the Government of the day would have to make an enormous effort to ensure that there was a reasonable debate among the public on the issue under consideration, rather than some other issue. Will the Minister spell out what sort of cap there could be on the Electoral Commission's expenditure? We have also touched on the possibility that public money would be given to the campaign in favour of a change that a Government want and to the campaign against it. What sort of cap will be included for two opposing campaigns that could be initiated as a result of this legislation?

Mr Lidington: Before responding to those points, I should clarify the method of election we would use for a by-election. My hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) was absolutely correct: although in theory the list system would be used, in practice it would be a list of one, so for all intents and purposes it would be a first-past-the-post election.

The hon. Member for Caerphilly (Mr David) asked about public money being available to umbrella campaign organisations arguing for either a yes or a no vote. We have always taken the view that any referendums conducted by authority of the Bill should be run along lines equivalent to those provided in other statutes, especially the AV referendum that we hope will be held this May, subject to Parliament's approval.

4.45 pm

It will be for the legislation to authorise a referendum, and for the Electoral Commission to specify exactly what rules should apply to any referendum or group of referendums held as a consequence of the legislation, precisely because we cannot predict today what referendum might be held in six years' time or 10 years' time, whether one or two questions will be asked on the same day or what the issue will be. It is right that such detailed provision be made in legislation nearer the time and take account of any changes to the general law on elections and referendums that might be made between now and then.

Mrs Main: Will a set amount be put aside in the Budget every year as a contingency fund for the possible multiple referendums to which my right hon. Friend refers?

Mr Lidington: No. The matter will be decided at the time. We will not operate on a hypothetical basis—that there might or might not be a referendum in any particular year. We would make provision for it as and when required.

Chris Bryant: I am not sure whether the Minister therefore means that the Foreign Office would make provision, whether the Ministry of Justice would do so under the referendums provision or whether it would come out of the contingency, but my anxiety is that one might end up with the same situation as we have in Wales for the next referendum on 3 March. Nobody has been identified as the official no side of the argument, so there will be no public money for either no or yes, because if there is not an official no campaign there cannot be an official yes campaign.

Mr Lidington: The regulations for the referendum will be those set out in the Political Parties, Elections and Referendums Act 2000. I suggest not that any changes are planned, but that, in accordance with any amendments made to that legislation between now and the date of any future referendum on a European issue under the Bill, the rules for its conduct would change. Today, we propose, however, that, as long as the 2000 Act remains in force in its current form, the rules that apply to it should apply to any referendum held under the auspices of the Bill.

Emma Reynolds: On the Minister's previous point, may I gently suggest that the difference between the alternative vote system and first past the post is that the

[Emma Reynolds]

candidate should receive more than 50% of the vote? So, there is a difference, even if only one candidate is listed. On clause 19, what does he estimate the cost to be of a referendum on any of the Bill's measures that would trigger a referendum? Given the Government's slightly confusing messages—they promise not to transfer power to the European Union, as set out in the coalition document, yet they demonstrate their eagerness through the Bill to commit to a referendum when a trigger is in place—will he estimate how many referendums we will have in this Parliament and, therefore, how much of a drain they will be on the Consolidated Fund?

Mr Lidington: I really do not know how many times I have to keep repeating this before the Opposition understand: there is a clear pledge in the coalition agreement that the current Government will not, during the lifetime of this Parliament until 2015, agree to a treaty amendment—under either the ordinary or simplified revision procedures—that would transfer competences or powers, as defined in this legislation, from the United Kingdom to the European Union. Therefore, the question does not arise: as the United Kingdom will have the right of veto over any such measure, we are making it clear that we are not going to agree to it. By bringing this legislation into effect, however, we are enacting provisions, to apply during this Parliament, for enhanced parliamentary controls over treaty changes. My right hon. Friend the Prime Minister has made it clear that the proposal on the table for a narrow treaty change under the simplified revision procedure to establish a permanent crisis resolution mechanism for the eurozone countries would, under the 2008 legislation, require simply a resolution in both Houses for it to be ratified by the United Kingdom, but, once this Bill comes into force, primary legislation will be required for that ratification. So as a consequence of this Bill, irrespective of the fact that we do not anticipate agreeing to anything that would require a referendum, there will be enhanced parliamentary control over any promised or hypothetical further treaty change or invocation of one of the passerelle clauses expressly provided for in the Bill.

Mr Peter Bone (Wellingborough) (Con): Of course, the situation is exactly as the Minister says while this coalition Government are in power. However, we are in a fixed-term Parliament and there is no guarantee that this coalition Government will still be the Government, so the additional clauses are there to protect us.

Mr Lidington: It is very important that we legislate on the basis that we want to give people the assurance that they have this protection against any future Government choosing to railroad through the transfer of new competences to the European Union institutions without the people being given the right to have their say. Any future Government of any political colour will be taking a pretty massive political risk if they try to rob people of the right to have the final say about the transfer of competences and powers from this country to Brussels. That will be a very powerful deterrent against any future Government being tempted down such a course.

Chris Bryant: The Minister said that this Government have no intention of having a referendum because they do not intend to trigger one under their own Bill, thereby proving that the whole Bill, like Z, is an unnecessary letter. Will he now get on to the point made by my hon. Friend the Member for Wolverhampton North East (Emma Reynolds) about how much a referendum is going to cost?

Mr Lidington: On current prices, a referendum, if held on its own, could cost between £80 million and £100 million. If it were combined with other elections on the same day, the figure might well be considerably less. However, these things would have to be calculated in detail at the time. It depends on factors such as whether another election is being held on the same day, so all the apparatus of paying for staff to set up polling stations and to count ballot papers is already being provided for, or it is being done as a one-off solely as a referendum on a European subject.

Mr David *rose—*

Mr Lidington: I was trying to respond to the hon. Member for Rhondda (Chris Bryant), but I will give way.

Mr David: These are very important issues. At a time of austerity, as the Government say, it is of great concern that there is such a lax approach to quite considerable sums. Does the figure that the Minister mentioned include merely funding for the conduct of a referendum, or does it also include the grants to organisations to enable them to put the respective arguments in a referendum?

Mr Lidington: I will come back to the hon. Gentleman having taken advice on that point. I would say gently to him, however, that giving the people their say, in the way they would expect, about the transfer of significant powers to act and make policy from this Parliament and this country to Brussels ought to be a high priority for Government expenditure. The reputation, not just of his party but of British politics in general, would have been a lot higher had the previous Government given a higher priority to spending money on the referendum that they had promised on the Lisbon treaty, rather than making a saving on that while spending billions of pounds on other objectives, many of which were of significantly less importance to the people whom we represent.

Emma Reynolds: I say gently to the Minister that if he goes back and reads our manifesto commitment, he will find that we promised a referendum on the constitutional treaty. If he asks his officials, with whom I was working at the time—

The Chairman: Order. We are getting carried away and are drifting. I am sure that the Minister wants to get back to the point.

Mr Lidington: I will leave it to the hon. Lady to try to explain that distinction on the doorstep.

The hon. Member for Caerphilly (Mr David) asked about expenditure authorised by clause 13. We have to understand the distinction between an authority to spend, which is what we are debating, and what the level of any expenditure should be. If we did not have the authorising power, as set out in clause 19, the Electoral Commission would simply not be able, without going

ultra vires, to promote public awareness of a referendum or the subject matter of a referendum. The Electoral Commission, like any other Department or organisation funded by the taxpayer, has a budget that is set through negotiation with the relevant Departments and the Treasury, and it will have to make provision from within that budget. If it really feels that it needs more, it will have to come back to the Government to seek agreement for a supplementary authorisation for additional spending, in the way that such things are usually provided for. We are debating a power under the clause for the Electoral Commission lawfully to spend money on a particular set of objectives, and nothing more.

Chris Bryant: Rather unfortunately, the Minister unpicked my support for the clause in the speech that he just made. He is right that this is the only point at which Members will decide how much should be spent on referendums, should they come into play. As he said, the rules on elections and referendums are set out in the Political Parties, Elections and Referendums Act. The Government may wish to change some of those elements in the future, but Members will never consider this element of funding again. The moment that the Government want to have a referendum, they will have one and we will not have an opportunity to decide the cost of it.

The Deputy Prime Minister said that a major reason for holding a referendum on the same day as the local elections in England, the Assembly elections in Wales and Northern Ireland, and the Scottish Parliament election is the saving of some £30 million. I am not quite sure how that matches with the figures that the Minister gave for the cost of a stand-alone referendum. I wonder whether the Foreign Office is operating on slightly different figures from those of the Cabinet Office, which are being advanced by the Deputy Prime Minister.

I say to the Minister that to propose a Bill that provides no assurance that the financial sense of holding a referendum will be considered, and that provides only for the ideological sense of having a referendum to be considered, is a failing. As an example, I will give a failing of the previous Labour Government. There will be a referendum on new powers for the Welsh Assembly on 3 March. I have knocked on a lot of doors in the Rhondda recently, and I have been hard-pressed to find a single person who knows that the referendum is taking place. I suspect that very few people will take part in it. I know what machinations led to the provision in the Government of Wales Act 2006 that has put us in that situation, but I am unsure whether it is a good use of public money constantly to go to voters in referendums. I would have thought that a Government who wanted to get the best value for money, especially in a time of austerity, would want to have a value-for-money test as part of the decision about whether there should be a referendum. My anxiety is that there will be referendums on piddling matters, because lawyers will force them to happen. That will cause significant cost to the Government and no actual benefit to voters, who will effectively vote by not voting.

5 pm

Mr David: I take my hon. Friend's point about the comparison with the referendum in Wales on 3 March, but at the same time it could be said that that referendum is on an important constitutional issue—whether the Welsh Assembly is to have primary legislative powers. My concern is that the current Bill could lead us to have a multiplicity of referendums on very small, technical issues. A lot of public money might be spent on that basis.

Chris Bryant: My hon. Friend has essentially made my point for me again. As you are looking quizzical, Mr Hoyle, there is no need for me to detain the House longer. *[Interruption.]* No, it is quizzical, honestly. Well, it certainly is now, even if it was not a few seconds ago. I look forward to hearing the Minister explain why there is no provision in the Bill for a value-for-money test before there is a referendum.

Mr Lidington: First, to make the record absolutely clear, I say to the hon. Members for Wolverhampton North East (Emma Reynolds) and for Blackley and Broughton (Graham Stringer) that the former was right to correct me about the way in which votes would be counted in the somewhat unlikely event of a by-election. In effect, it would be an alternative vote election but with just one candidate from each party. The candidates would be numbered, so the question of a tie, to which the hon. Gentleman drew my attention, would not arise. I am grateful to both hon. Members for their interventions, which have made it certain that we have got the correct facts on the record. I am sure that in the hypothetical case of a by-election being called, they will find the *Hansard* record of these exchanges very helpful.

To respond to the point that the hon. Member for Rhondda (Chris Bryant) made about finance, the detailed financial provision for any referendum would be made in the Bill authorising that referendum. When we debated earlier clauses, I explained that there would need to be primary legislation for that purpose—I think it would almost certainly be part of the Act of Parliament to ratify a treaty change.

I believe that there is simply disagreement between the hon. Gentleman and me about that matter. I take the view that we should have a referendum when the question to be determined is significant enough in principle to require it. We have laid out in detail in the Bill the changes to European treaties, and the transfers of decisions from unanimity to qualified majority voting, that we think are of such constitutional or political importance that a referendum of the British people should be required before any Government could decide to accept them not just for their own term of office but permanently and, in the eyes of many in the EU, irrevocably.

The problem with introducing a measure such as a value-for-money test is that it opens up a wide area of discretion for the Government of the day, who could say, "Well, this decision might be of legal and constitutional importance, but frankly, the costs involved do not justify all the trouble of asking people to come out and vote and they aren't really interested anyway." That way of thinking is part of what got Europe into the democratic deficit in which it is now trapped. There is a gulf of mistrust between voters and the political elites who govern them in far too many European countries, each of which has proud democratic traditions. We see that in this country in how Parliament is regarded—it is not just down to the EU; it is down to all sorts of other things as well. Such a measure would be another element in that deficit.

[Mr Lidington]

Allowing people to have the final say over decisions that are important to the future of their country is one way to remedy that deficit. I think it better to define the circumstances in which that will happen in legislation, as we have done with the Bill, than to leave it to the discretion and judgment of Ministers, who might decide on the ground of public interest or of value for money. For that reason, I prefer our approach.

Chris Bryant: The fact that the Minister and I disagree on this matter or on the Bill is no great revelation. Even his private office might have worked that out. He gave the game away a bit when he said that the matter of principle is that one must give the people the right to decide when the transfer of power is sufficiently significant, but significance is not an absolute but a comparator. That is my problem.

The Bill provides for the addition of a new MEP. Will he assure the House that there is no need to provide for a situation in which that MEP, having been appointed, decides to leave or unfortunately dies? Will that seat simply be gathered up in the normal process of by-elections?

Mr Lidington: The answer to the hon. Gentleman's question is yes. The normal processes for filling a vacancy in the European Parliament would apply in those circumstances too.

Question put and agreed to.

Clause 19 accordingly ordered to stand part of the Bill.

Clause 20

Extent

Question proposed, That the clause stand part of the Bill.

Mr Lidington: The clause provides that the Bill extends to the whole United Kingdom. The subject matter of the Bill is reserved to the Westminster Parliament and it contains no provisions that fall within the terms of the Sewel convention, or that would require any legislative consent motions in respect of the devolved legislatures. In any case, I can confirm to the Committee that the devolved Administrations were consulted on the Bill prior to its introduction, and are content with its provisions.

Part 2 of the Bill, which provides for the implementation of the transitional protocol on MEPs, also extends to Gibraltar, because the people of Gibraltar, as has already been mentioned, participate in UK elections to the European Parliament. Where clauses 20, 21 and 22 touch on part 2, they also extend to Gibraltar.

As I made clear early in Committee, and as you would certainly expect of me, Mr Hoyle, I have discussed the approach taken in the Bill with the Chief Minister of Gibraltar. He has made it clear that he approves of our approach, in terms of both the application of part 2 to Gibraltar, and the provisions in part 1 that ensure that the people of Gibraltar can participate in any referendum that is held when a treaty change affects them by virtue of our membership of the EU and the UK's Act of Accession.

Mr David: I am pleased that the Minister has gone out of his way to emphasise that there has been consultation and agreement with Gibraltar—I am sure that you, Mr Hoyle, will be especially pleased about that. However, will the Minister clarify further what consultation there has been with the devolved Administrations? I am thinking of the Scottish Parliament and Executive in particular, because I noted in evidence submitted to the European Scrutiny Committee that concern was expressed that elements of the Bill might impinge upon devolved areas. Certainly, when the evidence was submitted, those concerned were not entirely satisfied that the Government had taken that fully into account. Will he give a cast-iron commitment—if I can use that phrase—that there has been consultation, and that all parties are happy?

Mr Lidington: Yes, we consulted the devolved Administrations in 2010, at the same time as final policy approval was sought from Departments. The text of the Bill was circulated to the devolved Administrations as soon as it had been drafted and was available for circulation in Whitehall. We have tried to keep them as much in the picture as possible and as soon as was practical. As the hon. Gentleman will understand, the Government took office in May last year, and arranging policy clearance and then the drafting of the Bill has been an intensive piece of work. However, I do not think that the devolved Administrations have been treated in any way unfairly. I have assured them that the Government remain completely committed to what the Prime Minister has termed the "respect agenda", and that we are committed to honouring in full the various memorandums of understanding between the Government of the United Kingdom and the devolved Administrations. I am happy to make clear that commitment once again.

Chris Bryant: I am afraid that it was the words "the respect agenda" that turned my stomach and made me get to my feet suddenly. My experience of the Government thus far, in relation to other constitutional developments, has been that the respect agenda has been more honoured in its breach. To be fair, however, the Foreign Office has discussed the matter openly and fairly with the Governments in Scotland, Wales and Northern Ireland to ensure that the legislation might suit their needs. However, there might be some areas—particularly in relation to the different legal system in Scotland—where, although it might not feel like the UK Government have surrendered a power in negotiations in Brussels, it might feel more like they have in Scotland. At those moments, the people of Scotland might say, "We want a referendum, because we do not like what you are doing", while the Government and Parliament might not think that there is any need to do so.

I want to make a second point about Gibraltar. We have all referred, Mr Hoyle, to your personal interest in Gibraltar, and I bow at that altar as well. The Minister used a particular phrase that seemed like it had been crafted very carefully through the decades by Foreign Office mandarins. Having used such phrases before myself, I wonder whether it might not help were the Minister to unpack it. I think he said that the people of Gibraltar would be allowed to vote in a referendum where they are affected by a measure. I do not know how one would determine whether Gibraltar has been affected. I am not sure whether the Minister is being too clever by half, or whether I am being too foolish by half, but I am sure that he will enlighten us.

Mr Lidington: Let me deal with Gibraltar first. As I am sure the hon. Gentleman will recall from when he had responsibility for such matters, Gibraltar is part of the European Union, but it is not subject to all of the acquis. Therefore, the referendum will extend to Gibraltar where the treaty amendment, passerelle clause or article 48(6) decision concerned affects an area of European Union competence that covers it. If the proposed treaty change dealt with an area of competence from which Gibraltar was completely excluded, it would not take part in the referendum.

5.15 pm

On the devolved Administrations, I would say a couple of things to the hon. Gentleman. First, we are talking about reserve powers, and the United Kingdom is the member state that has signed the accession treaty. When it comes to our day-to-day or month-to-month dealings with the European Union in pursuit of United Kingdom interests, it is also necessary that the Government should take fully into account the interests and sensitivities of the three devolved Administrations. That is why, when a Minister sends an explanatory memorandum to the European Scrutiny Committee, one of the headings under which such measures are normally analysed is their impact on the devolved Administrations. It is also why the Prime Minister and the Foreign Secretary have asked every Department to take into account the interests of the devolved Administrations when considering their negotiating position on a particular piece of European Union business, and to ensure that proper consultation takes place.

The need to take the interests of the devolved Administrations into account is also why we have taken a policy decision that, where appropriate and agreed by the Secretary of State responsible for a particular policy area, it should be possible from time to time for a Minister from one of the devolved Administrations to take the United Kingdom chair at a Council of Ministers meeting, and to speak for the United Kingdom and advocate its position, as has happened on a small number of occasions since this Government took office.

When it comes to the Bill, the European Scrutiny Committee drew attention in its report to comments made by the European and External Relations Committee of the Scottish Parliament. We considered the Bill's devolution implications, consulting both the Government's experts on Scottish law and the devolved Administration's experts in the normal way. The provisions of the Bill are not intended to replace or alter the current provisions in either the memorandum of understanding or the concordat on co-ordination of European Union policy issues between the United Kingdom and the Administrations in Scotland, Wales and Northern Ireland. Those documents set out clearly the principles on which the United Kingdom Government engage now, and should continue to engage, with the devolved Administrations in formulating UK policy touching on matters falling within the responsibility of the devolved Administrations. That would include, for example, proposals for treaty change that touched on areas of devolved competence, but within the context that it is the United Kingdom Government who retain overall responsibility for any such negotiations. In the memorandum we are committed as a Government to involving the devolved Administrations as fully as possible in discussions about the formulation of the UK's policy position.

Chris Bryant: I can feel a peroration coming on, so I just want to check something to do with Gibraltar. Notwithstanding the remarks that the Minister has made, clause 11(1)(c) refers to who gets to vote

"if the referendum is also held in Gibraltar,"

but who decides whether the referendum is held there? Would that have to be laid out in the Bill that was implementing the individual referendum in question?

Mr Lidington: No, it would be a matter of treaty and law. I refer the hon. Gentleman to clauses 2(2)(a) and 3(2)(a). They provide for the circumstances relating to whether a referendum on whether a treaty should be ratified should be held throughout the UK—"or", and this is the important provision,

"where the treaty affects Gibraltar, throughout the United Kingdom and Gibraltar".

The referendum will extend to Gibraltar where the treaty matter that is subject to the referendum is a matter that includes Gibraltar. If it is a treaty matter from which Gibraltar is excepted, the referendum will not include the people of Gibraltar.

Chris Bryant: So why does clause 20 not say that the Act extends to the whole of the United Kingdom and Gibraltar?

Mr Lidington: Because the provisions for Gibraltar are laid out in clauses 2 and 3, as I have explained.

Question put and agreed to.

Clause 20 accordingly ordered to stand part of the Bill.

Clause 21

COMMENCEMENT

Mr James Clappison (Hertsmere) (Con): I beg to move amendment 15, page 12, line 12, leave out subsection (3) and insert—

'(3) The day appointed under subsection (2) shall be within one month of the day on which this Act is passed.'.

Under clause 21, certain provisions will come into force quickly, while others will do so at a later date. Clause 15 will come in straight away, as will part 3, which includes clause 18, the sovereignty clause. The amendment would bring in the whole Bill all at once within one month of its passing through all relevant stages. I know that my right hon. Friend the Minister has said elsewhere that it is the Government's intention for the entire Bill to come into force within two months of Royal Assent. I am giving my right hon. Friend an opportunity to say a few more words about the clause, and I am sure that he will be able to deal with it as comprehensively as he has just dealt with the many points put to him by the hon. Member for Rhondda (Chris Bryant). All those points were put to bed and I am sure that he will put this point to bed in the same way.

Mr Lidington: The Bill radically changes how the UK approaches the consideration of future key decisions on the European Union. It is therefore right that the provisions of this legislation should be applied as soon as possible after Royal Assent. It is also right that any treaty change currently being considered should be examined

[Mr Lidington]

through the prism of this legislation. The Prime Minister, the Foreign Secretary and I have all made it clear that the Government's firm intention is that the provisions will apply to the eurozone treaty change, which is expected to be agreed at EU level at the spring European Council.

Under the usual arrangements, the provisions of Acts of Parliament enter into force, unless otherwise stated, two months after Royal Assent. This Bill, however, has a slightly different set of provisions when it comes to commencement. Clause 21 makes provision for the Bill's entry into force; subsection (1) provides for clause 15 and part 3 to come into force on the day of Royal Assent.

Clause 15 allows our country to be able to ratify the transitional protocol on MEPs as soon as possible, and two months earlier than we would otherwise have been able to. Article 2 of the MEP protocol stated that it should be in place, if possible, on 1 December 2010. At the moment, it looks unlikely that we will be the last member state to ratify that transitional protocol, but I would want us to be in a position where, if it turned out that we were bringing up the rear, there would be no delay and we would be able to bring our ratification into effect and allow the provisions of the protocol to take effect immediately after Royal Assent. We thus consider early commencement of that part of the Bill to be appropriate in order to reduce the delay and ensure that early commencement of the provision would not have any undue or adverse effects.

Clause 21(2) enables the Bill's other provisions to be brought into force by one or more commencement orders made by the Secretary of State, and subsection 3 allows different days to be appointed for different purposes. The subsections were intended to give the Government the flexibility to bring the remaining provisions into force earlier—I emphasise the word "earlier"—than might otherwise have been the case, but we did not fix back in November, when we introduced the Bill, the date on which the provisions would enter into force. We allowed for flexibility so that individual parts could be brought into force at times that would maximise the Bill's effectiveness.

Amendment 15 aims to ensure that all parts of the Bill are in force within one month of Royal Assent. I entirely understand the wish of my hon. Friend the Member for Hertsmere (Mr Clappison) to ensure that the Bill is in force as soon as possible, and I share his enthusiasm, but I hope I can persuade him that his amendment is not necessary. As we have already made clear, the Government have a firm commitment to use the Bill's provisions for any future treaty change, not least the forthcoming eurozone treaty change. Because of the timing of that change, Parliament will have two bites at the cherry. Under the 2008 Act introduced by our predecessors, it will have a vote before the March European Council; it will then have to consider a Bill under the provisions in this Bill. We introduced Government amendment 56 precisely to ensure that this Bill could apply to the eurozone treaty change.

Mr Clappison: My hon. Friend is giving a very helpful explanation, but can he tell me which parts of the Bill will cover the proposed eurozone treaty change, whether or not the Bill is in force? As he has said, it does not matter whether it is in force or not, because the Government will abide by its terms regardless of whether it has been commenced.

Mr Lidington: All relevant parts of the Bill would apply to the treaty change. The Minister responsible would have to make a formal statement setting out whether the change transferred competences or powers—as defined in the legislation—to the European Union and therefore triggered a referendum, or whether it fell into one of the exempt categories.

As my hon. Friend knows, the Government believe that the treaty amendment that is now being considered applies only to the eurozone. It does not transfer any competences or powers from the United Kingdom to Brussels, and therefore, although primary legislation would be required for its ratification, a referendum would not be required. However, under this Bill we will require the Minister to set out his argument in the detail that we would expect to be demanded in relation to any other treaty change proposal.

There would then need to be primary legislation for the United Kingdom to ratify the treaty change. Although it does not affect the United Kingdom directly, it must be ratified by all 27 member states in order to take effect. It is therefore important for Parliament to have the right to examine the implications of the change in detail. We consider that primary legislation represents a better, more democratic approach than the simple debate on a resolution which is all that is provided for the ratification of such a change under the 2008 Act.

Clause 21 allows for flexibility to introduce provisions in the Bill at different times if required. I can assure my hon. Friend, on behalf of the Government, that we will lay an order to ensure the commencement of all the provisions that are not already in force by then one month after Royal Assent. We want to ensure that Parliament and the public are able to exercise the new rights that the Bill gives over EU decision-making as soon as possible. I hope that that gives my hon. Friend the assurances that he seeks, and that I can therefore persuade him to withdraw his amendment.

5.30 pm

Mr Clappison: I am grateful to my right hon. Friend for his comments. This has been a worthwhile debate and a worthwhile amendment, particularly in light of what he has just said. He has brought the commencement date forward one month further than had previously been indicated by the Government. Also, I agree with him that the arrangements in the Bill are much more satisfactory than the current arrangements, which were left to us by the previous Government, when it comes to any treaty changes that might come about as a result of changes to the eurozone. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Question proposed, That the clause stand part of the Bill.

Mr David: I should like to say a few words about the clause. The whole issue of when the Bill comes into effect causes us some concern, because it has been our contention from the start of our deliberations that the Bill is essentially window dressing. It is not an attempt

to introduce genuine participation and accountability, but is instead, as a Minister has said, a rather crude attempt to tie future Governments.

Certainly, in terms of parliamentary scrutiny, I welcome what the Minister has said today and previously. Logically, many of things that the Government have announced in the Bill and in recent written statements are to be welcomed. We are firmly in favour of as much parliamentary accountability and involvement as practicable. Indeed, that was the whole tenor of the Opposition's amendment at the start of our Committee deliberations. However, it worries me that we still have the important issue of the justice and home affairs opt-ins, particularly the European Court of Justice provisions, which will have to be considered during this Parliament. The Minister has been absolutely firm in his determination to ensure that although we will have additional scrutiny considerations regarding whatever a Government may decide to do, there will not be a referendum on this extremely important issue. These matters worry us greatly, because we contend that there is a certain amount of illogicality in the Bill. It is contradictory, it does not hold together and there is not a great deal of intellectual sense behind it. That is clearly illustrated by the whole issue of the ECJ opt-in provisions.

If the Government were true to their rhetoric, they would insist that the legislation would be introduced and that a referendum would be held during this Parliament if they decided to opt into those provisions, as some suggest they would like. That is why the whole issue of when different parts of the Bill commence and have legal effect is of tremendous importance. I want to register and reinforce the Opposition's concern that the Government are approaching this matter in what we consider to be a totally ham-fisted way.

Mr Lidington: I shall be brief. I think the hon. Gentleman has a bit of a nerve. It was actually the Government whom he supported and served who agreed to the treaty that collapsed the third pillar, which communitised justice and home affairs, bringing those areas of policy under European Court of Justice jurisdiction when previously they had been intergovernmental. As we debated last week, we have as a Government announced that we shall be discussing with the scrutiny Committees and others the ways in which we can strengthen parliamentary scrutiny over justice and home affairs and give greater accountability of the Government to Parliament for those decisions.

We have said publicly, on the record, that the decision that must be made by 2014 on whether to opt out of or remain party to the pre-Lisbon corpus of justice and home affairs measures will be subject to a debate and to a vote in each House of Parliament. The previous Government made no provision for such an arrangement. They were content for the 2014 decision, which the hon. Gentleman now describes as of great magnitude, to be subject simply to the normal scrutiny provisions and for the Committee to determine whether to call it in for debate. I note that, despite all the hon. Gentleman's strictures about there being no need for this Bill, he did not suggest that a hypothetical future Labour Government would seek to repeal the legislation. He knows the penalty that would accrue to any political party that tried to deny the people the democratic rights that they are being given under the Bill.

Mr David: In response to the Minister's last remark, I would say simply that we have belief in the parliamentary process, and although the Bill may pass through this House, we are sure that Members of the other place will have enough wisdom and common sense not just to give it a mauling but to reject it.

Question put and agreed to.

Clause 21 accordingly ordered to stand part of the Bill.

Clause 22 ordered to stand part of the Bill.

New Clause 7

Annual report on Part 1 of the Act

'(1) The Prime Minister shall prepare and lay before the House each year a report on the operation of Part 1 of this Act.

(2) The report shall identify—

(a) any statements made in the previous 12 months under section 5, indicating specifically where Ministers have indicated an opinion under section 5(3) as to whether a treaty or Article 48(6) decision falls within section 4 of this Act, and any opinion given under section 5(4) of the Act on the significance of the relevant provision in relation to the United Kingdom;

(b) any powers and competences transferred under the terms of the TEU or TFEU from the United Kingdom to the European Union within the previous 12 months which—

(i) have, and

(ii) have not

required specific authorisation under any provisions of Part 1 of this Act;

(c) any powers and competences arising under any of the provisions of the TEU or TFEU referred to in Part 1 of this Act which have been repatriated to the United Kingdom from the European Union over the previous 12 months; and

(d) any such powers and competences which the Prime Minister seeks to repatriate to the United Kingdom from the European Union.

(3) The report shall also include—

(a) an assessment of the likelihood of further transfer of such powers and competences in the succeeding 12 months;

(b) a cost benefit analysis of the impact on the United Kingdom of any decisions made in the past 12 months under any of the provisions of the TEU or TFEU powers referred to in Part 1 of this Act.'.—*(Priti Patel.)*

Brought up, and read the First time.

Priti Patel (Witham) (Con): I beg to move, That the clause be read a Second time.

This is a straightforward probing amendment, designed to provide greater openness and transparency in connection with the Bill, and particularly the transfer of powers. It would give the public and Parliament an annual opportunity to review, in one comprehensive report, the powers transferred to the EU under part 1—for example, by providing a cost-benefit analysis of the impact on the UK of those transfers of powers—details of the powers that are likely to be transferred to the EU over the 12-month period and an indication of the powers that the UK seeks to repatriate from the EU.

Since coming to office, the Government have been at the forefront of pioneering the transparency agenda across all our politics. The new clause builds on those efforts, as the EU should not be exempt from robust parliamentary and—especially—public scrutiny. I believe it is essential that we keep a close eye on the powers that

[Priti Patel]

are being transferred to the EU, whether through referendum, Act of Parliament or ministerial decisions, for three reasons.

First, there is the matter of keeping a track record of the cost to this country of the EU's having more powers, and letting people know who is governing Britain. Secondly, there is the matter of democracy and the public's being able to hold the EU, the Government and Parliament to account for the decisions they take and the powers they ultimately exercise. Thirdly, there needs to be scrutiny of the powers handed over that are not deemed to be significant. After a single transfer, they may appear to be innocuous, but a series of such transfers over time may constitute naturally something more significant.

The Minister will be aware that the Government publish some of the details on the transfer of powers, such as the report on EU justice and home affairs matters that details the use of the opt-in protocol. More information of that nature across the Government should be published, and the new clause would facilitate an opportunity for the Prime Minister to present it to the House.

Graham Stringer: This is a particularly imaginative new clause. Does the hon. Lady imagine that there would be votes on such reports, or would they just be for information?

Priti Patel: I would not rule out anything, to be honest. As I started by saying, the new clause is designed to generate more openness and transparency in the transfer of powers and, ultimately, the amount of say that the EU has over us in this country. Right hon. and hon. Members, as well as the public, could therefore review the report, audit the EU and further hold decision makers to account, so I would welcome the opportunity not only to discuss but to vote and to have full-blown transparency.

The new clause is necessary because the monitoring of EU policies and the transfer of powers is not as effective as it should be. I pay tribute to the European Scrutiny Committee for its tremendous work. Unfortunately, the Chair of that Committee is not here this afternoon. It should be of concern to the legislature that such information is not always readily available and that important qualitative and quantitative data on the EU are not easily accessible.

Martin Horwood (Cheltenham) (LD): I am slightly surprised. Given the evidence of the past three weeks, is my hon. Friend really suggesting that even the slightest scintilla of power moving from this country to the European level will not be noticed by the hon. Member for Stone (Mr Cash) or the hon. Member for Wellingborough (Mr Bone) or all her other hon. Friends? They seem to be on to these things like terriers most of the time.

Priti Patel: And quite rightly so. Of course, we have a House full of assiduous Members and the European Scrutiny Committee has been very effective, but I am talking about an annual report and more openness and transparency.

By asking a range of parliamentary questions of 10 Departments, I received information stating that at least 79 current EU directives were pending transposition into UK law at a total cost in excess of £20 billion, and that is just one example. Of course, assiduous Members will ask many other questions and do a lot more fact finding to identify and uncover other transfers, too.

There is no reason why such information should not be published regularly, and Ministers must endeavour in future to be more transparent and accountable. It is therefore important in going forward with the Bill that information on the costs, benefits and powers exercised by the EU is available and accessible, as that greater transparency and opportunity to hold Government policy to account over the EU would, in my view, be most welcomed by the British public.

The new clause would go somewhat further than just making more transparent the EU, the Government's policies on the EU and transfers of power, because it effectively asks the Government in their annual report to publish details of plans to repatriate the powers and competences from the EU that they believe should be held by this country. As drafted, the Bill will establish a referendum lock and safeguards against further significant transfers of power, which I have consistently supported and welcome, but it does not cover the approach that should be taken to repatriate powers to this country that the EU currently holds that are not in our national interests and on which the public expect us to act.

We have heard about many opinion polls in these Committee proceedings, but I shall refer to another one. An opinion poll conducted four years ago, before the previous Government handed over even more power under the Lisbon treaty, found that 58% of the British people believed that the EU should have less power and that more decisions should—surprise, surprise—be taken nationally and locally, and that 68% of people thought, quite frankly, that the EU did not represent ordinary people in our country.

Across a diverse range of policies, the public and parliamentarians of all parties can point to powers that the EU should not have, and that the British people believe should be brought back to our country, for a range of democratic reasons as well as on cost grounds. They include policies on access to our territorial waters, which we debated last week when discussing fisheries, as well as on justice and home affairs.

5.45 pm

Mr David: I am following the hon. Lady's argument with a great deal of interest. I know that she used to be a member of the Referendum party. Have any of her views changed since she joined the Conservative party?

Priti Patel: Absolutely not! I believe that the Conservative party has very much embraced the views of the party that I represented back then. I have been campaigning for a referendum for more than 15 years, and the Conservative Government are now proposing it.

I was talking about the powers that have been handed over to the European Union. The European arrest warrant has been the subject of a great deal of debate in the House, and social and employment policies have cost the UK more than £38 billion. We have heard mention of the working time directive, as well as of

waste in regional policies, economic controls and financial services, not to mention the endless regulations that burden our businesses, the £1 billion that the EU is seeking to fine the UK and the £50 billion, which I mentioned during questions today, that the UK is set to hand over as a net contribution over the next few years to 2016.

Martin Horwood: Many of us think that the European arrest warrant is a useful and positive counter-terrorism measure. Would it not be better to take what would presumably be an annual debate on the hon. Lady's proposed report and broaden it out into a debate on the work of the European Union or the Commission's work programme as a whole? That would subject the whole programme of the European Union to scrutiny in this place, and allow those of us who have a more positive view of the EU to put our case as well.

Priti Patel: I suggest that timetabling the required number of hours and days for such a debate could be quite challenging, because it would have to cover a vast number of issues.

In my view, the British people deserve to know what their Government are planning to do, not only about the powers that the EU seeks to exercise but about those that it currently uses and—dare I say it—abuses, according to some in this House. Like all Conservative Members, I stood on a manifesto that clearly stated:

"The steady and unaccountable intrusion of the European Union into almost every aspect of our lives has gone too far."

Following the ratification of the Lisbon treaty, we made a commitment not to let matters rest, and to negotiate the return to Britain of criminal justice powers and the opt-outs of the charter of fundamental rights and of social and employment legislation. The new clause would give the Government and the Prime Minister an annual opportunity to update the House on the actions being taken to deliver that, and to bring genuine openness and transparency to these proceedings.

Forty years ago, when we entered what was then known as the European Economic Community, few could have predicted with any accuracy how deeply integrated and ingrained the EU has now become. Had we known that at the time, I am sure that this Bill would have been even more robust than it is.

Emma Reynolds: Does the hon. Lady acknowledge that it was a Conservative Government, with the Single European Act in the 1980s and the Maastricht treaty in the early '90s, who gave away the largest transfer of powers from this Parliament to Brussels?

Priti Patel: That is genuinely a matter of record now. We have now seen how far the EU has gone, and that is the reason for my probing new clause. We need to look to the future and be more vigilant. This is not just about the past; it is about what is coming in the future.

Kate Hoey (Vauxhall) (Lab): The hon. Lady is probably aware that the vast majority of the public do not care which Government gave away our powers. They are fed up with the fact that more and more powers have gone to Europe and they want those powers back. Does she agree that until this country faces up to the fact that for far too long the public have had no say in whether we want to stay in Europe or not, and that until we get a referendum on that, we will never clear the air and be able to go forward in Europe as progressive Europeans, or go out of Europe and go forward as progressive UK citizens?

Priti Patel: I thank the hon. Lady for her contribution. I entirely agree. The air needs to be cleared, and the British public naturally feel upset and uneasy about that. The issue is a sensitive one, hence the need for greater openness and transparency.

I ask the Minister to consider the points that I have made—fundamentally, the issue of openness and transparency. We have handed away far too many powers. The Bill is about the future, and I would welcome the Minister's views.

Mr Lidington: The new clause moved by my hon. Friend the Member for Witham (Priti Patel) raises important issues, and it is right that we should devote some time and attention to her arguments today. I share a large number of the concerns that she expressed, and I welcome her wish to see much more transparency and clarity in the way in which the European Union operates. Having said that, I shall argue that the method proposed by my hon. Friend in her probing amendment is not necessarily the best one to secure those objectives. I shall deal with the main components of the new clause in turn and explain why, although I share many of her concerns, I do not think that the proposal as drafted is the best vehicle to deliver those goals.

Let us look first at how to police the boundaries of European competence. I share the anxiety expressed by my hon. Friend, and I believe that this is the mischief that subsection (2)(b) of new clause 7 is intended to address. That subsection requires that a list of any powers or competences transferred from the UK to the EU under the terms of the treaties in the previous 12 months, which have or have not received specific authorisation under any provisions of part 1 of the Bill, be included in the annual report.

The treaty position is clear. A competence should be transferred from the UK to the EU only if there is a treaty or treaty amendment unanimously agreed by all member states using the ordinary revision procedure, whereby we have a continuing power of veto. Power, as defined in the Bill, is changing the treaty to give an EU institution or body the power to impose a requirement or obligation on the UK, to impose sanctions on the UK, or to abolish what are defined in the Bill as significant vetoes.

Given that those changes to competence or power are covered by the referendum lock as set out in the Bill, there ought to be no possibility of the need for any entries at all in the report under subsection (2)(b) because competence cannot lawfully be transferred by any other means. What lies behind my hon. Friend's argument, I think, is a concern that competence may be extended in ways other than formal treaty change.

It is important to try to distinguish the issues. There are cases where the EU has competence—we may argue about whether it ought to have such competence, but that competence has been granted by one or other of the previous treaties—but where the UK has particular views about how the European Union should legislate

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on the basis of that competence. We may believe that a particular measure is unjustified on grounds of subsidiarity, or that the costs of a particular measure are disproportionate to the benefits being claimed.

I offer the Committee an example. We do not dispute that the EU has competence to legislate on the terms and conditions for pregnant workers, but we have very strong views about the content of the particular proposal that is on the table, and we successfully built firm opposition in the Council to the European Parliament's approach, which has effectively brought those negotiations to a standstill. At heart, that is not a matter of competence; it is a matter of policy. Those matters are debated carefully in the discussions about negotiating strategies that take place in the European Affairs Committee of the Cabinet, and they are also covered in the explanatory memorandums that we as a Government submit to Parliament.

There are other areas where there are concerns about whether a Commission proposal for new EU legislation or action oversteps the boundaries of existing EU competence. Again, the Government rigorously assess every proposal coming out of Brussels to ensure that it falls within the scope of competence and that the treaty base put forward by the Commission is justified. To give another example, we have been rigorous in asserting our position with regard to matters to do with the EU's external competence.

Let us look at the External Action Service and consular work. We have firmly restated the treaty position that the EAS has no formal role in consular work, and should support it only by facilitating co-operation and the co-ordination of member states' actions. The competence for consular functions remains with member states. We have made it clear to Baroness Ashton and to the Commission that we would oppose Commission proposals for the EAS to have a direct role in providing consular assistance or in any other way seek to expand the institutions' role beyond the competences set out in the treaty.

As a further example, at the Cancun UN conference on climate change, we insisted on prior agreement on when the presidency and the Commission would be authorised to represent the position of the member states, and the forms of words that they would use when doing so. We did that in order to safeguard the position that competence remained with the member states and had not been given exclusively to the institutions of the European Union. In the last resort, if we considered that a proposal went beyond the competence of the EU, we would challenge it during the legislative process and, if necessary, at the European Court of Justice.

One of the reasons I hesitate to endorse an annual report is that I think what the Government should be doing is to make clear their views on competence as they affect particular measures whenever those measures are brought forward. If we adopted the proposed annual report, there would be a risk of Whitehall saying, "Let's wait for the 12 months to elapse for the annual report." My hon. Friend will probably have received some parliamentary answers; when I was a free spirit, I used to get parliamentary answers saying that the information would not be made available now, but if I wanted to hang on for six months, it would be made available in that Department's annual report, or when a promised review was published. I would not like us to get into that situation with regard to these matters.

I have asked that every explanatory memorandum sent to Parliament should not simply state what legal base the Commission has given to it, but give some assessment of the suitability of that legal base.

We need to be much more forward-looking and smarter. Right across Whitehall, we must pay more attention to the Commission's forward work programme, so that we can identify up front any potential issues of concern over competence creep at an early stage, preferably even before the publication of a proposed directive or other measure. That is the way forward for continuing work in government to scrutinise every proposal on competence grounds, and much more openness and activity in Parliament as well.

Emma Reynolds: In the interests of transparency and openness, which the hon. Member for Witham (Priti Patel) spoke so eloquently about, why do the Government not consider reintroducing the pre-European Council debates that used to take place in the House?

6 pm

Mr Lidington: Because those debates were explicitly transferred from the Government to the Backbench Business Committee when it was established, along with responsibility for a number of other debates which had previously been held in Government time. The report that recommended that transfer was adopted unanimously in the House, with the support of the Labour party as well as that of Conservative Members.

Mr Bone: The Minister is exactly right on that point. I have the privilege of sitting on the Backbench Business Committee, and we always look forward to representations on the European issue. The Committee can bring a motion to the House, rather than just a general debate, and force the Government to do something.

Mr Lidington: Indeed. My hon: Friend is not exactly averse to opportunities to debate the EU. For hon. Members on both sides of the House who feel that there needs to be a debate on the Commission's work programme or any aspect of that, the way forward is to ask the Backbench Business Committee to use the time allotted to them for consideration of those matters.

Mr Philip Hollobone (Kettering) (Con): The Minister mentioned competence about a hundred times in his remarks, quite rightly, but subsection (3)(b) of the new clause mentions a cost-benefit analysis of the impact of any decisions made. Will the Minister address that point? Will Her Majesty's Government at any point undertake a comprehensive cost-benefit analysis of our membership of the EU?

Mr Lidington: My hon. Friend pre-empts me, because I am about to come on to the question of cost-benefit analysis. I very much agree with my hon. Friend the Member for Witham that the EU has to provide much better value for money. The Government are clear that the EU needs to change and can do things a lot better than it does at present. My right hon. Friend the Prime Minister has argued in the House and elsewhere that the

EU cannot be immune to the budgetary realities that every member state Government in the EU and every family in the EU has to face. That is why it was the Prime Minister and this country that led the process to ensure that the 2011 EU budget did not grow in line with the unacceptable demands of the Commission and the European Parliament, and why at the end of last year the Prime Minister secured the important principle that over the next financial perspective the EU budget should reflect the consolidation efforts being made by Governments right across the EU.

James Wharton (Stockton South) (Con): Does the Minister agree that this is not just about value for money within the EU as a body and the way it functions, but about the impact on value for money across all that Government do and across our society as a whole of the measures implemented by the EU? We talk about what appears to be mission creep from the EU, which we often see when competences are used in an elastic manner to drive forward new centralised European policies. Will the Minister please make a statement on ensuring that we look for value for money in how they are implemented as well?

Mr Lidington: My hon. Friend makes an important point. The Government seek to ensure that there is much better value for money and a more rigorous cost-benefit analysis of measures at the EU level, and to apply those same principles to the transposition of European legislation into our own domestic arrangements. I suspect that hon. Members on both sides of the House will have been familiar in the past with European legislation that has all sorts of gold-plated extras that add to the cost and complexity that businesses or voluntary organisations face when the legislation reaches its final form here, usually by way of statutory instrument.

My hon. Friend the Member for Witham rightly says that we must ensure that the EU too addresses this challenge, and we are going about that in a number of ways. First, we are working with like-minded European partners to encourage smarter regulation by applying more rigorous use of evidence in the EU. We welcome the Commission's smart regulation communication, published in October 2010, which set out a four-year strategy to reduce the regulatory burden of EU legislation on business. That communication reflected a number of this country's priorities, including further strengthening of the impact assessment process and post-evaluation adjustment of laws.

We need to see much more progress on impact assessment. The Commission has a commitment to produce impact assessments for all its proposals, but, to be honest, the quality is variable and we continue to press for improvements. The Parliament and the Council do not have a routine commitment even to produce impact assessments as a matter of course, and we believe that those two institutions should be doing that as well. It is now a fact of life that most areas of European law-making involve the European Parliament as a more or less equal partner with the Council of Ministers. That means that on a number of important measures, for example on employment matters and other pieces of social regulation, the Council might agree a position and then the Parliament can choose to vote through measures that introduce greater costs that industry has to bear.

Mr John Redwood (Wokingham) (Con): Does not the Minister understand that we do not want better impact assessments, but less regulation? How will the Government deliver their very good one-in, one-out policy on regulation if they cannot stop the torrent of regulation that is still pouring out of Brussels now that it is occupying the whole of the financial services field, for example?

Mr Lidington: We have to do both. The two are not alternatives. Impact assessments are valuable, and they focus the minds of other European Governments, and of the groups representing industry in those member states, to become more active in pressing home their interests than is sometimes the case at the moment. The more transparency that we get in the European legislative process, the more likely it is that we will move towards the objective that both my right hon. Friend and I seek.

I would share with my right hon. Friend a wish to see the EU legislate less. There is too often a culture in the Commission that identifies a problem and then seeks a remedy in the form of new law. Non-legislative measures can often be more effective, and certainly less burdensome and complex, than legislative measures. That is something that my colleagues across Government are pursuing with colleagues from other countries who share our views on this matter, and we seek to encourage other countries to work with us to look for non-legislative ways of addressing problems and challenges, rather than looking for a new directive as the first resort every time.

Mrs Main: An impact assessment may work on EU law, but what about the gold-plating that goes on when the law is already passed; we seem to add to it in reams in this country?

Mr Lidington: That has certainly been a genuine problem, and it is a priority for the Reducing Regulation Committee, chaired by the Secretary of State for Business, Innovation and Skills, to address. The Government now have an established policy not to gold-plate. When we implement European legislation, we will be certain to do no more than is required of us by the words of the legislation. Ministers are now under an agreed political obligation to resist any attempt from within their Departments to add extra bells and whistles to what is required of us by a directive. We should do what our competitors and partners in Europe are doing and no more.

Mr Shepherd: I applaud the Minister's aspirational words, but those of us who have been here as long as he has have heard them said so many times. It is an old song, and yet nothing is ever resolved on the issue. Why is he confident that action will now follow those same old words?

Mr Lidington: I am confident because of what I see and hear when dealing with Ministers from other European Governments who have woken up to the scale of the competitive challenge that Europe faces from other regions of the world. When one talks with Ministers from Germany, Scandinavia, much of central and eastern Europe and even France, which has historically had a different approach to business and trade than we have had, one realises that there is a real fear that we are facing not only a difficult economic downturn and an

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ongoing economic crisis, with high unemployment across our continent, but a profound, long-term challenge to the competitiveness, and therefore prosperity, of our societies. I find Ministers from other countries alive to that challenge and so have greater hope that we can make progress than does my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd).

Mr Douglas Carswell (Clacton) (Con): Will the Minister not find that that is precisely the sort of lip service that was paid to reform at the time of the Lisbon agenda more than a decade ago, when Ministers throughout Europe said that they would achieve reform and precisely nothing happened? Have we not been here before and heard that song sung too often?

Mr Lidington: The Lisbon agenda was certainly a grievous disappointment, and our chief concern about the Europe 2020 programme is that it will go the same way by being much too concerned with targets and inputs and not looking at competitiveness. However, if we look at the history of this country's relationship with the EU, we can see how the UK has at key moments helped lead a movement that has changed Europe for the better.

I was teased earlier by Opposition Front Benchers about the impact of the Single European Act, but the creation of the European single market gave opportunities to business and individual workers in this country and in every other member state, and that has helped us to become more competitive and prosperous now than we would have been had Margaret Thatcher and Lord Cockfield not had the vigour and commitment to see it through.

6.15 pm

Similarly, although it has more to do with politics and diplomacy than economics, it was the UK that was the foremost champion of the enlargement of the EU into central and eastern Europe. That has helped to entrench the rule of law, human rights and democracy in parts of the continent where those traditions had been crushed for most of the 20th century.

I am not complacent at all. Ministers are educated very quickly about the scale of the challenges when they start attending European Council meetings and see the torrent of documents that flow into Whitehall. The Government, from the Prime Minister down, are utterly determined to try to get the EU heading in the right direction, because that is essential to securing the well-being, prosperity and competitiveness of our country. That is why the Prime Minister wants to bring in a one-in, one-out rule for new European regulations and implement that principle at the national level and why he says we need a new and tougher target for reducing the total regulatory burden over the life of the Commission. That is why he wants Europe to consider giving small businesses, which are the engines of job creation, an exemption from major new regulations.

Emma Reynolds: I agree with much of what the Minister has just said, including his comments on the Single European Act and the benefits of the single market, so there is an agreement between the two Front Benches on that. Does he agree with the argument that when European legislation is drafted properly and replaces 27 sets of legislation, for those businesses trading across borders it can actually be a deregulatory measure?

Mr Lidington: It is possible for that to happen, but it depends crucially on the content and complexity of the measure. Regulation is not desirable simply because it takes place at a European level and replaced national regulations. It is especially undesirable from the UK's point of view if a familiar system of regulation that reflects the way we do business is replaced by something modelled on completely different practices from a different member state.

Mr Carswell: The Minister sings the virtues of the single market, so will he explain to the Committee why we have had a trade deficit with Europe every year since we joined the single market, whereas before we had a trade surplus? Will he also explain why non-EU states such as China seem to have no difficulty in gaining market access without having signed up to many of the regulations he supports?

Mr Lidington: I am sorry that my hon. Friend seems to regard Margaret Thatcher as having sold out to Europe when she agreed to the single market. I ask him to talk to UK businesses, as he will find that they regard the single European market as a great boon. It was the combination of the UK being in the single European market and at the same time offering the best deal, with regard to regulation and low taxes, that led the UK, under the Conservative Government that he and I supported, to attract the lion's share of foreign direct inward investment into the entire EU.

Mr Hollobone: Will the Minister give way?

Mr Lidington: I will give way, but I am conscious that we have another important new clause to debate and do not want to get drawn too far away from this new clauses's content.

Mr Hollobone: We will have plenty of time to enjoy ourselves with that this evening. The Minister is stressing the benefits, as he sees them, of our membership of the EU, so I will return to the point I made some moment ago: why will Her Majesty's Government not undertake a comprehensive audit of the costs and benefits of our EU membership?

Mr Lidington: There are some elements of EU membership that could be put into such a calculus, but we cannot measure, in the way my hon. Friend wishes, things such as the diplomatic leverage that we obtain by being able to work in partnership with other European countries. [Hon. Members: "No!"] Some will differ from me in that analysis, but the fact that we were active members of the European Union helped us to achieve a package of sanctions against the Iranian nuclear programme last year that was tougher and more effective than either the United States or the Government of Iran believed possible. We were there at the table, so we were able to exert a powerful influence, in partnership with others, in the defence and enhancement of our national interest in securing sanctions against that programme, and we were able to overcome opposition from a number of other member states that weighed in the balance

some very big commercial interests in Iran. That sort of advantage does not lend itself easily to the calculation that my hon. Friend invites me to make.

There are all sorts of things wrong with the EU as well, and we can find other occasions to debate its flaws, but the Government's position is that membership of the European Union is one of the key ways in which we seek to advance the United Kingdom's influence in the world.

Mr David: The right hon. Gentleman makes some very important points, but would it not be far better if he spent time talking, as he has, about the benefits of the European Union, rather than about this stupid, nonsensical Bill?

Mr Lidington: I do not regard as insignificant or risible giving the people of the United Kingdom a final say over treaty changes that transfer new powers and competences from this Parliament to Brussels. We would have much more public confidence in politics, and a much better chance of positively putting the case for British membership of the European Union, if the public did not feel so betrayed by the absence of any endorsement, by means of a referendum, of past treaty changes.

On new clause 7, which my hon. Friend the Member for Witham moved, my response to our hon. Friend the Member for Kettering (Mr Hollobone) indicates why some of what it seeks is not suitable. Subsection (2)(a), for example, would require a report on

"any statements in the previous 12 months under section 5"—

both the statement about whether such a treaty or decision transfers power or competence, and the statement on whether any transfer under Clause 4(1)(i) or (j) is significant.

It would not be onerous to include that requirement in an annual report, but there are unlikely to be so many treaties or decisions in any one year, so there would not be any real value in that information being collected and set out in an annual report. Under the Bill, there will be a minimum requirement for a written ministerial statement and an Act of Parliament before any such measures can be agreed, and that seems to represent sufficient transparency.

On repatriation, I listened to my hon. Friend the Member for Witham, who put her argument very powerfully and cogently. She knows that, under the coalition agreement, the Government are committed to examining the existing balance of competences and what they mean for Britain, and we continue to look at that issue.

The new clause raises some very important issues, and I welcome my hon. Friend's aims of seeking much better value for money, more transparency and vigilance against competence creep within the European Union. Those matters are not for the Bill, however, which deals with treaty changes and ratchet clauses transferring powers or competences to the EU. We need to focus immediately on the individual issues to which she refers, measure by measure, as they arise in the Commission or as individual items of legislation, rather than taking up time preparing retrospective reports that I fear would be of largely historical interest.

What is relevant and important to the work of Ministers throughout Whitehall is for the Government to pursue with Parliament ways in which we can improve the scrutiny of EU issues and the opportunities for Parliament to hold Ministers to account for their stewardship of the United Kingdom's interests in European discussions. I therefore urge my hon. Friend to withdraw her new clause.

Priti Patel: I thank the Minister for his response to my new clause. I shall say a few words, because a number of issues arose in his reply.

There is a range of issues that clearly must be aired and discussed—that was the purpose of my new clause—in relation to competence creep and the ever-increasing powers that have been sucked away to Europe over the years. The Minister has a valid point about the proposed report being more retrospective, and if nothing else his assurances about the role of this House and Parliament in the scrutiny not just of legislation but items as they arise, and about the forward-look in terms of the Commission's work programme, are absolutely vital. As we heard in the earlier debate, a number of assiduous Members will continue to bring those issues to the Floor of the House, to pursue them and to persist with them.

I intend to withdraw my new clause, but my final point to the Minister is about cost-benefit analysis, which is fundamental. The Government could still do a lot more to assure the British public that their hard-earned money was being spent more effectively when it comes to EU matters. I beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

New Clause 11

Provision for further referendum

'In order to meet the referendum condition referred to in section 2, section 3 and section 6 of this Act, the Act providing for the approval of—

(a) a treaty under the terms of section 2; or

(b) a decision under the terms of section 3; or

(c) a decision or draft decision under section 6

shall also provide for a further binding referendum to be held on continuing United Kingdom membership of the European Union, if the majority of those voting in a referendum held under the terms of the relevant section are opposed to the ratification of the treaty, decision or draft decision, as the case may be.'.—*(Mr Bone.)*

Brought up, and read the First time.

Mr Bone: I beg to move, That the clause be read a Second time.

It is a great pleasure to follow my hon. Friend the Member for Witham (Priti Patel), who made such a powerful speech. I hope that I am able to tempt her into joining us in the Division Lobby later tonight, given what she said about new clause 7. It would be wrong of me not to pay tribute to the Whips Office for allowing me this time tonight, and for arranging matters so that my amendment 48 was not debated last week, when there clearly was not enough time for it. Now, we have absolutely hours and hours to discuss new clause 11, and I congratulate the Whips on that.

The new clause, which stands in my name and those of other hon. Members, reads:

"In order to meet the referendum condition referred to in section 2, section 3 and section 6 of this Act, the Act providing for the approval of—

[Mr Peter Bone]

(a) a treaty under the terms of section 2; or

(b) a decision under the terms of section 3; or

(c) a decision or draft decision under section 6

shall also provide for a further binding referendum to be held on continuing United Kingdom membership of the European Union, if the majority of those voting in a referendum held under the terms of the relevant section are opposed to the ratification of the treaty, decision or draft decision, as the case may be."

What does that actually mean? For the first time, this Parliament would have an option to debate whether we should have an in/out referendum on the European Union. In other words, there would have to be a binding in/out referendum on our membership of the European Union if the new clause were passed and two hurdles cleared: first, a referendum would have to be triggered under the European Union Bill, owing to a proposed transfer of competency; and secondly, the British people would have to vote against such a transfer of power.

Thomas Docherty (Dunfermline and West Fife) (Lab): I am very grateful for having stumbled into this debate. Does the hon. Gentleman not accept the danger that, although people might not be in favour of voting yes in the first referendum, they would be forced—with the proverbial gun to their head—to vote yes to such a transfer of powers because they did not want an in/out referendum?

Mr Bone: I am grateful to the hon. Gentleman for his intervention, but that matter comes somewhat later in my address. In fact, I think that it would work to the reverse of what he said.

6.30 pm

Kate Hoey: My name is also on the new clause. I was cheered when I heard the hon. Gentleman say that we had a long time to discuss it, because unfortunately I have to be out of the Chamber for about an hour on an important matter, and I want to be here for the vote. I therefore hope that the debate will continue for a very long time. Does he believe that this proposal offers a way out of the current situation whereby the one thing that unites all the establishment parties is that they do not want the British people to have a say on whether to stay in or move out of the European Union?

Mr Bone: I am grateful for the hon. Lady's intervention. Her views on this have been most helpful and supportive. I am sure that other Members will try to catch your eye, Mr Evans, and I hope that the debate will still be going on when she returns. She makes the fair point that when both sets of Front Benchers agree on something, it is almost certainly wrong.

Martin Horwood: I think that the hon. Lady might have been excluding the Liberal Democrats from the establishment parties, which I would obviously be very pleased about.

The hon. Gentleman will acknowledge, I hope, that Liberal Democrat policy remains in favour of an in/out referendum, although not in the way that his new clause suggests, and we argued for it strongly during the passage of the Lisbon treaty Bill.

Mr Bone: I appreciate my hon. Friend's intervention and, yet again, that supportive point. I will turn to that argument in some detail later.

Mrs Main: I was extremely cheered, as I am sure was my hon. Friend, to hear the hon. Member for Cheltenham (Martin Horwood) asking for an in/out referendum, and I very much hope to see him and his colleagues in the same Lobby as those who feel the same way. He was denied the opportunity the first time, so I hope that he might grasp this second opportunity.

Mr Bone: I am grateful for my hon. Friend's support and her argument. In fact, I would take it a stage further. Because there is support for the new clause on both sides of the Committee, and because I am moving it in a coalition spirit, as Members will discover, I have every expectation that there will not be a vote tonight and that the Minister will accept it.

Let me explain why the Committee should support my new clause. First, it would not alter in any way the purpose of the European Union Bill. The Bill is designed, under certain circumstances, to give the British people, through a referendum, a say on our relationship with the European Union. My proposal would merely extend the referendum lock, under certain circumstances, to whether we should remain part of the European Union.

Why do I think that this would improve the Bill? If the British people have a chance to approve or disapprove of a transfer of power in the future, and they say yes, then there is clearly no need for an in/out referendum, as it would show that the British people are happy with their relationship with Europe. If they say no, clearly they are unhappy with a proposed change to the European Union. Surely it is right that the alternative question is then put as to whether the British people wish to remain in the European Union.

An added advantage is that the in/out referendum would be triggered by an event, not by politicians. In the past, referendums have been timed to favour the proponents of the referendum, not necessarily for the benefit of the British people.

Mr Hollobone: Would not my hon. Friend's new clause strengthen the referendum lock, because Her Majesty's Government, in proposing a transfer of powers to the European Union, would have to think even more carefully about doing that, if they did indeed value our membership of the European Union, because they would know that if it failed, they would then be subject to his referendum as well?

Mr Bone: As usual, my hon. Friend is absolutely right. Again, I will return to that point later.

I was talking about the gerrymandering of referendums, and that brings me rather nicely to the AV referendum, which is being gerrymandered for a particular day to maximise a particular outcome. Because my trigger for the in/out referendum would be decided by an event, such gerrymandering could not take place in future.

The last time the British people had any say on our relationship with Europe was under the premiership of Harold Wilson, on 6 June 1975, when a national referendum was held asking:

"Do you think the UK should stay in the European Community (Common Market)?"

This referendum took place nearly 36 years ago, which means that only people who are lucky enough to be over the age of 54 have had any say on the European issue. It is wholly unacceptable that a generation of Britons have not had a direct say on their relationship with Europe.

Mr Clappison: I will let the Committee into a secret: I am old enough to have voted in that referendum. It is not only younger people who would like a chance to have a second look at this, but older people who believed what they were told in the course of the campaign and the safeguards that were set out in the literature sent to every household, nearly all of which have proved to be unfounded.

Mr Bone: As usual, my hon. Friend is absolutely spot on. Again, I want to explore that a little later in my speech.

The relationship with Europe affects everybody, no matter what their walk of life, in the most profound of ways. Other countries have consulted their citizens through a referendum, but not the United Kingdom. The issue raised by the 1975 Wilson referendum was whether we should stay in the Common Market: it was about an economic relationship, not a superstate. In 1975, guess what our net contribution to the Common Market was: £1 billon, £500,000 million, £250 million, £25 million? No—the EEC paid us. They paid us £56 million, but of course that was at 1975 value; the current equivalent is £500,000 million. In fact, as far as I can see, this is the only time it paid us a net contribution. Strange that the European referendum was held in that year. It rather backs up what my hon. Friend the Member for Hertsmere (Mr Clappison) said about the facts and figures.

Since then, of course, things have changed. It is no longer just a free trade area: it is a European union, with a huge price tag for Britain. Instead of receiving money from the EU, over the next five years our net contribution to it will be a staggering £41 billion. However, it is not just our economic relationship with Europe that has changed. There is a European state with its own president, Parliament, flag, currency and courts. It now has its own foreign service and its own embassies.

The European Union came into force on 1 November 1993. The British people have never had a referendum on the EU.

Mr Hollobone: My hon. Friend mentions the astonishing sum of £41 billion that will be paid over the next five years by the coalition Government. Is he aware that that is more than twice the £19 billion that was paid to the European Union under the previous Labour Government?

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. This is a fascinating and amazing debate that would clearly take place if the in/out referendum came about, but if we could now focus on new clause 11, perhaps we could make a little progress.

Mr Bone: Of course, Mr Evans. I thank my hon. Friend for his intervention, but I will not respond to it, because I might mention it later if I can sneak it in.

If anyone doubts that an EU referendum is what the British public want, they should check my e-mail inbox or my post to see the hundreds of letters and e-mails of support that an in/out referendum is getting. These are coming not only from my constituency or from Conservatives but from Liberal and Labour voters. They just want to have their say on the important issue of our membership of the European Union.

A recent ComRes opinion poll on 27 October 2010 showed that 75% of the British people think that there should be a referendum on our membership of the European Union. A BBC and ComRes poll on 19 March 2009 found that 84% of the British people wanted a referendum. James Pryor, the chief executive of EU Referendum Campaign, said:

> "David Cameron and his Coalition will ignore this Poll at their peril. How long will the political elite bury their heads in the sand and misread the public mood. As this Poll clearly shows, the people of Great Britain feel that the politicians have let them down. Only 12% feel that Britain's contribution to the EU is sustainable and yet the Prime Minister tells us he 'won the battle' in Brussels. The Chancellor keeps telling us 'to tighten our belts' and yet we still send £48 million a day to the EU. The British public will get angrier until they are given a say on our relationship with the EU and the politicians will have to live with the consequences."

Mrs Main: My hon. Friend is giving huge figures. Asking the question does not necessarily mean that there will be a negative answer. There could be an affirmation that this is a good idea. Surely it would be a good idea at this time to check whether we are down the right path. If we do not get a negative answer, it will be all to the good for the Government.

Mr Bone: My hon. Friend argues an important point, which, again, I hope I can touch on in a little while.

I shall turn to the *Daily Express* and its crusade to get Britain out of the European Union. Yesterday, I and a number of hon. Members from across the House helped to deliver a petition of more than 370,000 names, which were collected by the *Daily Express*, demanding an in/out referendum.

Stephen Pound (Ealing North) (Lab): That is twice its readership.

Mr Bone: From a sedentary position, the hon. Gentleman says that that is its entire readership. It is amazing if everyone who reads the *Daily Express* has signed the petition. I thank the hon. Gentleman for that intervention.

Those referendum pledges were sent in individually by readers of the *Daily Express*. They had to cut them out, fill them in, write an envelope, stick a stamp on it and post it in. For 370,000 of our citizens to go to that length shows the strength of feeling about a referendum. I congratulate the *Daily Express* on its efforts. By passing new clause 11 today, we will show that Parliament has been listening to the British people.

Mr Andrew Turner (Isle of Wight) (Con): Is my hon. Friend aware that some Liberal supporters on the Isle of Wight vote Liberal because when there was a referendum on Europe, in which they voted no, they recognised that it was the Conservatives who took us into Europe? I was not there at the time, but I have consulted them since. That is how they saw it—we were taken into Europe by the Conservatives. They found that a reasonable justification to vote Liberal. They were unhappy voting Labour, so they voted Liberal. They have voted Liberal ever since

[Mr Andrew Turner]

because we—the Conservatives—took the country into Europe. I was not among those Conservatives because I voted no, but many voted yes.

Mr Bone: As usual, my hon. Friend speaks on behalf of the people of the Isle of Wight and in response to their views. However, I do not want to get drawn away from new clause 11 by debating whether people deserted the Conservative party at the last election and stopped us having an overall majority because we went back on our pledge on Europe. I do not want to discuss that point.

Recently, I was browsing through a thoughtful, persuasive and enlightened book entitled, "Invitation to Join the Government of Britain—The Conservative Manifesto 2010". I admit that it was interesting and had some bold ideas. More importantly, all Conservative candidates stood on that manifesto at the last general election, and all Conservative MPs should be committed to it. One bit jumped out at me. On page 67, under the heading, "Make government more accountable and representative", it talks about

"providing more free votes, and protecting the principle that issues of conscience...remain subject to a free vote".

There we have it—more free votes for Conservative MPs.

6.45 pm

If there is a free vote, it will allow Parliament to do the job that the British public elected us to do. Each and every one of us who is fortunate and honoured enough to sit in this Chamber was elected not just on party policies, but because our constituents wanted us to act on our independent judgment in representing them. They want us to hold the Government to account, whichever party—or parties—is in power. They want us to scrutinise and improve legislation. They certainly elected us to put country first. The only way in which we can do that is to have more free votes, particularly on issues of constitutional importance, such as new clause 11.

Emma Reynolds: Is the hon. Gentleman therefore arguing that Government Members should have had a free vote on whether there should be a referendum on the alternative vote?

Mr Bone: The hon. Lady will have heard the Leader of the House confirm in the past three business questions that we have free votes in Committee of the whole House. This is not retrospective. We have free votes in Committee of the whole House.

I shall quote from somebody else, because I can see that the hon. Lady—I will not say that she does not believe me—is concerned:

"The House of Commons' historic functions were to vote money for governments to spend, and to scrutinise laws. It now barely bothers with the first, and does the second extremely badly. There was a time when legislation that had been formulated after months of civil service and ministerial deliberation was sent to the House of Commons which would pore over it, shape it, send it back, get it back, look at it again—and improve it some more. Bill by bill. Clause by clause. Line by line. Every piece of legislation would be put under intense scrutiny. Is it legally sound? Will it be effective? Is it worth the cost?"

I will link this quotation very carefully with new clause 11 in a moment, Mr Evans, but it would be wrong if I did not give the full quotation, because otherwise it would lose its impact and it could be suggested that I was misleading the Committee. It goes on:

"Compare that to today. Let me take you on the journey of a piece of legislation as it passes through the modern House of Commons. It's likely to have been dreamt up on the sofa of Number Ten. A Bill gets drafted. It's sent to the House for a couple of hours of routine debate among a few MPs. Then the bell rings, the whip gets cracked and suddenly, out of nowhere, all these other MPs turn up to vote."

The First Deputy Chairman of Ways and Means (Mr Nigel Evans): Order. That is a good try and the hon. Gentleman is smiling nicely, but perhaps he will now return his comments to new clause 11. I would have thought that there was enough meat in the new clause to mean that he does not need to go outside it.

Mr Bone: I apologise, Mr Evans. I am also sorry that I did not finish the quotation from my right hon. Friend, the Prime Minister.

I wanted to make it clear to the Committee that Conservative Members will have a free vote if the new clause comes to a vote. I think that there is some confusion about that, and that the Chief Whip does not quite understand the Prime Minister's instruction. I just hope that some of my colleagues are not put off voting for new clause 11 tonight because of that.

The people of Britain put us in a coalition Government. We must therefore work together as a team—a unit—that works in the very best interests of this country. The public must have seen certain aspects of the Liberal Democrat and Conservative manifestos that they liked. I will deal with the point that my hon. Friend the Member for Cheltenham (Martin Horwood) raised. I would like to think that the following part is what particularly caught the eye of Liberal voters. To quote another piece of literature that was interesting, although not quite as good as the first:

"The European Union has evolved significantly since the last public vote on membership over thirty years ago. Liberal Democrats therefore remain committed to an in/out referendum".

That is straight out of a good piece of literature, the Liberal Democrat manifesto 2010, "Change that works for you—Building a fairer Britain". It certainly works for me, and I hope it works for the country.

Martin Horwood: Would the hon. Gentleman like to complete the sentence from our manifesto that he quoted?

Mr Bone: I am afraid I have already tried your patience, Mr Evans, so I will not quote any more.

Martin Horwood: The end of the sentence, which the hon. Gentleman omitted, stated that we were committed to a referendum when a significant transfer of power takes place from the British to the European level. In essence, that was an alternative to the current Bill, which the Conservatives instigated. We can have one or the other, but not both.

Mr Bone: I really should have added that, because it helps my case, and I apologise for not having done so. The hon. Gentleman is absolutely right, and that is exactly what my new clause would achieve. If there were

a significant transfer of power, an in/out referendum could occur. That is exactly what the Liberal Democrats want, so the new clause should gain their support more than a proposal to have a referendum that was not even in the Conservative or Liberal manifestos, such as on the alternative vote.

Martin Horwood: I am afraid that what the hon. Gentleman is proposing is not what was in the Liberal Democrat manifesto. The question is, what should trigger a referendum? In our view, it should be a substantial transfer of power. His new clause suggests that it should be the loss of a previous referendum, presumably only weeks or months before.

Mr Bone: I am afraid that we are in a coalition, and we do not get everything we want, but we get the best of it. I am taking the best of the Liberal suggestion, and it is only fair that I go on to examine the Conservative view.

Mrs Main: My hon. Friend and I sat for many an hour on the Opposition Benches discussing the matter, and I remember some gentle teasing from the Liberal Democrats about whether we would support holding an in/out vote. Now is their golden opportunity to have the next best thing to what was proposed in their manifesto. I would have thought that we would have their support in that.

Mr Bone: I agree entirely, and of course when the Liberals brought forward a vote on an in/out referendum in the previous Parliament, I and a number of my hon. Friends voted for the motion.

Dr William McCrea (South Antrim) (DUP): Does the hon. Gentleman not find it strange that so many Members are afraid of consulting the people about such an important issue?

Mr Bone: Yes, and I will turn briefly to that point later, if I may.

I wish to turn to the Conservative position—having been helpful to the Liberals, I now want to be helpful to the Conservatives. At the European elections, the Conservative party pledged a referendum. In fact, it was so keen to get the message across that it produced car stickers to support it. They were about a foot long, in Tory blue and had a picture of a loud hailer. In huge, bold letters, they said, "Give us a referendum." For the convenience of the Committee, I have removed mine from the back of my car, where it has remained since the last European elections, and I have it with me for the Committee to see. *[Interruption.]* Members apply to a higher authority; I wish that I could invoke it to get the Government to accept the new clause.

Surely, then, my new clause 11 is not a Tory new clause or a Liberal new clause. It is a coalition new clause, and it should unite all Members on the Government side of the House.

To respond to the hon. Member for South Antrim (Dr McCrea), there is only one reason not to support the new clause, which is the fear of the outcome of a referendum. Is that a reason not to let the people of Britain have a choice? An in/out referendum would be a momentous occasion. It would finally put an end to the debate about whether the British people want to be in the EU. Whether the people voted to stay in the EU or to withdraw from it, at least they would have a choice. It would also allow Euro-enthusiasts and Eurosceptics to unite in allowing the British people to have the final say.

In my opinion, most of the public want a chance to vote on whether we are in or out of the European Union, and the new clause would give them such a chance. If it were law, it would prevent a future Government from supporting a transfer of powers to the EU. It would also give us, or whoever was in power, a very strong bargaining position with the EU in relation to a possible transfer of powers. Any future Government who tried to transfer powers to the EU without the safeguard of an in/out referendum would be in most serious difficulties.

When there are job cuts, tax increases and spending cuts, which I believe have all been essential to cut the deficit, how can it be right that in the last five years of the Labour Government our net contribution to the EU was £19.8 billion, while in the next five years, under the coalition Government, it will be £41 billion? With drastic cuts at home and vast spending in the EU, I think that enough is enough and that we should come out of the EU. However, what I think is totally irrelevant. It is what the British people think that matters. It is time for an in/out referendum on the European Union.

Mark Reckless (Rochester and Strood) (Con): My hon. Friend the Member for Wellingborough (Mr Bone) has performed a significant service for us today, because I believe this is the first time since the 1970s that we have had a discussion here about whether the British people should be allowed to decide how they are governed.

I believe that we should be an independent country, trading with Europe but governing ourselves. More than that, however, I believe that it is up to the British people to decide how they are governed. Do they prefer to be governed, and have their laws made, by this House, so that they can throw out the people involved if they do not like how those laws are made, or by a qualified majority including 26 other countries? Do they prefer to have those countries decide their laws for them, and to pay £10 billion a year for the privilege? That question is subject to conditions in the new clause, but for the first time since the 1970s, that issue of principle is before us for debate.

My hon. Friend the Member for Grantham and Stamford (Nick Boles) put it very well earlier in the Committee stage, when he said that for a long time—since the late 1980s, I think he said—the British people had had a settled view about the European Union. They thought, "This far but no further." Yet there is a logical inconsistency in that position, because the process began in the late '80s by which we had the Single European Act, then the Maastricht treaty, then the treaty of Amsterdam, then the treaty of Nice, then the proposed European constitution that the Labour Government then re-described as the treaty of Lisbon. Each and every one of those treaties has given more and more power to the EU.

I believe it is true that by the late '80s or early '90s the settled view of the British people was that we had gone quite far enough and that they did not want to go any further, yet they keep on being dragged further and further. One reason why there is a growing detachment

[Mark Reckless]

between the people and politicians, of which I would say the expenses issue was a mere symptom, is that year after year the British people hear their politicians—particularly those on the Conservative Benches—tell them that they are Eurosceptics. Those politicians say, "We don't support all these transfers of power to Europe. We want to get power back, and we want more power here in Britain." They tell people that we can be in Europe but not run by Europe, and they suggest that Europe is coming round to our way, that the British agenda is winning and that there is compromise. The truth, however, is that the House and the country want only to decide whether or not to be part of what is happening. New clause 11 gives us a chance to vote on that, subject to conditions.

7 pm

Many Government Members describe themselves as Eurosceptics. I first met the Minister in October 1992 at a dinner at Southampton university, at the invitation, I believe, of my hon. Friend the Member for Bournemouth West (Conor Burns). The Minister was sitting between me and a friend over the water, as I shall describe Mr Hannan, who believes so strongly in the European issue that he also believes we should be able decide to abolish the Parliament that pays his salary. That evening, the talk was of the Danish no vote and of a motion before the House of Commons that called for a fresh start in Europe. I am pleased to say that the day after that conversation, the Minister, whom I congratulate on eventually becoming Minister for Europe, signed that motion. Eighteen or so years later, our constituents now ask, "Where is that fresh start in Europe?" They want to decide how our country is governed, and it is surely their right to do so.

Jim Shannon (Strangford) (DUP): The people of the UK are well renowned for their freedom of speech and liberty. Does the hon. Gentleman agree that a referendum would allow them to express themselves more adequately and correctly? A referendum of all in the UK would provide a marker for the House.

Mark Reckless: Indeed. I support giving a referendum to all in the UK. That is how we should decide our future. I could not agree more with the hon. Gentleman. That principle is why I support new clause 11.

There is also a political issue at stake. We have heard some description of the Liberal Democrats' position and the in/out referendum they demanded. Indeed, I believe that the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), felt so strongly that we should have an opportunity to vote in an in/out referendum that he was suspended from the Chamber for a day. As far as I can tell, that is still the Liberal Democrat position.

The Conservative position is that the Lisbon treaty should have gone to a referendum. When the treaty was pushed through the House and we were not allowed that referendum, we had to consider our position.

Mr Clappison: As somebody who took part in the Lisbon treaty debates, I am slightly surprised to hear of the Liberal Democrats' current position. They have an honourable position on Europe—they are in favour—but they would now like a referendum on a substantial transfer of power to Europe. They wanted an in/out referendum on the Lisbon treaty, but voted in favour of the treaty.

Mark Reckless: My hon. Friend is correct, but the key point is that we can still have the referendum that the Liberal Democrats wanted. The Conservatives cannot go back to the pre-Lisbon EU position because the founding treaties have changed. We have the Lisbon treaty, but we could still decide to hold an in/out referendum.

Martin Horwood *rose—*

Mark Reckless: The in/out referendum is still an option, and I would hope the hon. Gentleman still supports it.

Martin Horwood: It is no surprise that the Liberal Democrats voted for the Lisbon treaty—we were in favour of it. Is the hon. Gentleman arguing against the logic of the Bill? Under new clause 11 there would be an in/out referendum when a transfer of power happens, but the Bill proposes specific referendums on those transfers of power. There is absolutely no logic to having an in/out referendum after a transfer of power is defeated in a referendum, because no transfer of power will have taken place.

Mark Reckless: I am saying that the principle of an in/out referendum is important. The Liberal Democrat position, as I understand it, is that the British people should decide whether we stay in the EU with Lisbon, or whether we leave. Let us have that referendum.

The most important point in respect of the Bill is that Ministers seem not to have noticed that the world has moved on. A Bill that would have been perfectly satisfactory in 1992 at the time of Maastricht is now, after 19 years of further transfers of powers to the EU, utterly inadequate for its task. My constituents are not especially concerned about referendums on technical transfers of power five or six years—at the earliest—down the road; they want to vote on our membership of the EU, and they want to do so now.

Ministers have made a serious mistake in thinking that the Bill will somehow buy off dissent, or that my constituents will believe it really changes the EU situation. My constituents believe that the transfer of powers to the EU has already gone much too far. The only thing that can deal with that situation is an in/out vote, so that we can re-establish our independence as a nation.

I am more surprised about the political error that Ministers are making in thinking that the Bill is sufficient. They do not consider what they leave themselves open to if the right hon. Member for Doncaster North (Edward Miliband) flips position, as I believe he might. We have debated the Liberal Democrats' position, but Conservatives cannot assume that we will always be on the popular side of the argument relative to the pro-European Labour party. There are very few Labour Members in the Chamber, but what defines the Labour party in respect of Europe is not that it is pro-European but that it does not feel that strongly about Europe relative to other issues.

My friend over the water whom I mentioned says that there is a first rule of politics. He says that, essentially, all parties in government are pro-European, and only

Opposition parties become genuinely Eurosceptic. What will happen if in two or three years, the right hon. Member for Doncaster North flips position and says, "The Labour party is pro-European and we want to put that case, but it is for the British people to decide." Where will that leave the Conservatives? Will the Minister accept that the principle of the in/out referendum is now overpowering? Will he allow the British people their choice?

Jacob Rees-Mogg: New clause 11 is extremely interesting and worth looking at with care, because it comes out of a mix of genius and anger. The genius of it is that it has succeeded in initiating a debate on the question of an in/out referendum, which is clearly not the purpose of the Bill. I know that deft parliamentary draftsmanship was required to have such a proposal selected for debate, and I am full of admiration for that and for the genius that is generally the attribute of my hon. Friend the Member for Wellingborough (Mr Bone), who is a great parliamentarian. Every time one listens to him, one is inspired by the thought that people care about the powers of this House and of the people who send us here.

The proposal is also, however, the product of anger—a righteous anger that the British people have seen their powers given away, but been denied the opportunity to decide whether that ought to have happened. Whether that was done by the Single European Act, or by the Maastricht, Lisbon, Nice or Amsterdam treaties, does not really matter. The British people were not properly consulted, and many of them are upset about that.

Unfortunately, that combination of genius and anger leads to a proposal that makes no sense, which is why—reluctantly—I oppose it. The difficulties are manifold, but the main problem is that it proposes that one thing leads to another automatically, without any consideration of the first thing. My hon. Friend the Member for Cheltenham (Martin Horwood) made the very obvious point that we cannot have it both ways. Under the new clause, we could decide by referendum not to transfer powers, and then follow that up with a vote to stay in altogether. If we vote to stay in altogether, surely we would be signing up to everything with gusto, but that is the last thing we would want to do if we had recently objected to a treaty that gave more powers to the EU. Therefore, if we vote to stay in, we could contradict a no vote that we had just achieved.

Mrs Main: I am following my hon. Friend's logic, but it is possible to say, "I want to stay in the European Union, but I am not happy with that transference of powers." I do not see that a no vote on a transference of powers and wanting to stay in the EU are mutually exclusive.

Jacob Rees-Mogg: I thank my hon. Friend for that intervention, but I think there is a slight confusion. If we have an in/out vote, and it is won by the pro-Europeans, it is a vote for the EU as it exists and with all the powers that it has. Those of us who support this referendum lock Bill do not want further powers going to the EU or to get accidentally into a situation in which we sign up to things we probably opted out of. That is the complication of having an in/out vote that is won by the "in" side but not on the issue discussed and subject to the referendum lock. That is the danger; that is the unintended consequence.

The unintended consequences go further than that. Should there ever be a Labour Government again—I am sorry to say that there probably will be, although possibly not in my lifetime—those of us who support the Bill would want them to accept it and ensure that the referendum lock held as an important constitutional change. We would also want any change to the powers of the Europe Union to be subject to a referendum of the British people. However, if the Government concerned were unpopular, as happens to Conservative Governments too—and even, possibly, to coalition Governments—and felt they had to sign up to some marginal European treaty requiring a referendum, but knew that it could result in an in/out vote, they would be more likely to repeal the Bill lock, stock and barrel and say, "Look, we cannot do that because we would then have a vote against us at the second stage." The second unintended consequence, therefore, is that we would weaken the whole effect of the Bill by making it less likely to become the accepted constitutional practice, which is what I would very much like to see.

Mr William Cash (Stone) (Con): Does my hon. Friend accept that this is in fact a debate about an ingenious device—I hope I am right in thinking he mentioned the word "genius"—and that it is about the principle of continuing membership? Does a question not then arise that has not yet been answered—namely, membership of what?

Jacob Rees-Mogg: My hon. Friend always puts his finger on the nub of any European matter. I agree that the new clause is a device concerning a strong principle—that is the genius and anger I was talking about. The problem is that in its anger, it could achieve the wrong result. We do not want to set our firm principles on a weak base and a new clause that would actually undermine what those of us who are supporting the Bill wish to see achieved.

I agree with many hon. Members that there may well come a time when we would want an in/out referendum, but it needs to come when it has been the subject of important and urgent debate up and down the country; it needs to come when the British electorate are marching to say, "Now is the time to decide whether we should stay in this rotten institution, corrupt as it is, or whether we will put up with it in spite of its corruption, its inconvenience and all the problems associated with it, because there are some marginal trading advantages and we have got a few sanctions against Iran"—or whatever the other arguments are in favour of it. We need to have the referendum at the right time, as a matter of a discussion of and about itself, not as a result of the random collision of atoms and following a debate on something completely separate—for example, a minor extension of some European power or competence.

Neither should an in/out referendum suddenly follow a referendum in which 20 people or 20% of people—let us be generous—have voted. Suddenly, we would have thrown all the balls in the air without any proper consideration or deliberation, and without having set out the framework for the debate we want. Those of us who are broadly Eurosceptic should oppose the new clause, because it undermines exactly what we want to achieve, and should support the general thrust of the Bill, which is designed to protect this country from

[Jacob Rees-Mogg]

further sacrifices of our authority and the people's power. We should rightly remember—it being a referendum lock—that it is not the power and mystique of these green Benches that are being given away, but the power and mystique of the British people themselves. They are the people we should trust. We should trust them with a referendum lock, and not rush headlong out of anger into a confusing and mistaken new clause that would undermine this lock that we are giving to the Great British people.

7.15 pm

Andrew Percy (Brigg and Goole) (Con): I do not intend to speak for long; I just want to make a few observations about the new clause.

I listened intently to my hon. Friend the Member for Wellingborough (Mr Bone), who will know from our communications that I have some concerns about how the new clause would work. I have some sympathy with what my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) said about the new clause's unintended consequences, but I take a slightly different view from him as I think that it is worth supporting, if for no other reason than to send a message to Ministers about what many people in my constituency and of my generation feel about the European Union. I was not born when we last had a referendum on the EU—I am a few years younger than the proposer of the new clause. My generation has never had the opportunity to express its view at the ballot box on the EU as an institution.

Mr Hollobone: Actually, nobody has had the chance to express their view on the European Union, because it was not the European Union in 1975—it was the common market.

Andrew Percy: I stand corrected. Many of my constituents who took part in that referendum, including my own parents—at least one of them was sound enough to vote no—tell me that it was not what they voted for. My hon. Friend is entirely right to correct me.

My generation has had no opportunity through the ballot box to express a view on whether we should remain a member of the European Union, because broadly speaking both parties have always supported membership. My view is firm—I do not think that we should remain a member—but I am not arrogant enough to suggest that it is for me to dictate to the British public. I simply want the British public at some point to have a say on whether we should remain a member of what has become a very interesting institution—as one hon. Member called it.

Ben Gummer (Ipswich) (Con): Over the past few days, I have had nearly 100 e-mails and letters about forests, but since 7 May I have not had a single letter or e-mail about withdrawal from the European Union. This debate shows the difference of opinion across the country, and the genius and magic of this place that it matches Members so closely to their constituents in their passions and needs.

Andrew Percy: I thank my hon. Friend for that intervention. I would be happy to take him to Goole, where he could talk to people in my community who are concerned about the large amount of immigration resulting from our membership.

Dr McCrea: On the point about the letters and postbag, how many letters has the hon. Gentleman received in support of the European Union?

Andrew Percy: The answer is fairly simple: a big, fat zero.

Mrs Main: If we are going to judge from our postbags, we would not be having a referendum on the alternative vote system, which has been mentioned to me by only one person—a local Liberal Democrat, who said, "You'll never again be able to say, 'Nobody has ever mentioned AV to me'". We cannot use the postbag of my hon. Friend the Member for Ipswich (Ben Gummer) as some sort of barometer of opinion.

Andrew Percy: All we would end up debating from my postbag is the state of our roads following the recent cold weather—but that is not how politics works.

I have been led away from my line of argument, which is that it is time that the people had a say on the EU. As I said in response to my hon. Friend the Member for Ipswich (Ben Gummer), many people in communities such as Goole, which has seen large amounts of immigration as a result of EU expansion, would say, "Lots of people come here to fill jobs people here won't do. They come here to work incredibly hard, but we have had such a mass influx, and nobody asked us for our permission through the ballot box for the extension of immediate rights to come to this country and work without any requirements or immigration controls." Nobody asked the British public, who are rightly angry about that, and that is why they wish to have a referendum.

John Mann (Bassetlaw) (Lab): I thank the hon. Gentleman, with whom I share a boundary, for giving way. Is he aware that his Government, whom he so vigorously supports, are maintaining the current level of European immigration over five years, with an extra 700,000 projected by the Office for Budget Responsibility? Government Members seem unwilling to discuss that in the House.

Andrew Percy: The hon. Gentleman—my neighbour on my southern border—makes an interesting point. Thanks to what was given away by the previous Government, it is pretty much impossible to do a great deal on this issue, which is one reason why we now either accept a mass influx of uncontrolled immigration or we get out of the European Union. That is really the only choice that the public have.

There are some technical problems with the new clause. If we had an in/out referendum following the rejection of an initial referendum, that would lead to problems with the debate on the first referendum. It would probably become a debate about whether we should have an in/out referendum, which would be undesirable. I mean no disrespect to the genius of my hon. Friend the Member for Wellingborough when I say that new clause 11 is not perfect. However, from my point of view, I could not vote against anything that introduced an in/out referendum, which is why I shall be supporting this imperfect but well-meant new clause.

Keith Vaz (Leicester East) (Lab): I hope to be as brief as the hon. Member for Brigg and Goole (Andrew Percy). I came into the Chamber this evening to support new clause 11. That support was underlined by the thoughtful contribution of the hon. Member for Rochester and Strood (Mark Reckless). I was then a little confused by the speech of the hon. Member for North East Somerset (Jacob Rees-Mogg), because he is very clever and I wondered whether I had the right new clause. However, I then listened to the hon. Member for Brigg and Goole, who spoke about the one factor that will weigh most in my mind, which is the fact that he has not had a chance to vote. We therefore need to have an in/out referendum, to give him the opportunity to do so.

I am teasing the hon. Gentleman. In fact, I believe that it is important that at some stage in the near future—I am not saying that it should be 5 May, when we decide on AV—the British people ought to have an opportunity to deal with this subject. I am confident that, given that opportunity, they will vote overwhelmingly in support of remaining in the European Union. I know that there are those on both sides of the Committee who believe that the British people would do the opposite and that, given the opportunity, they would vote to come out of the European Union. However, I have attended many debates in this House when Members on both sides have been passionate about remaining in the European Union. However, at the end of the day, it should be up to the British people to make such an important decision.

Mr Hollobone: When the right hon. Gentleman says "overwhelmingly", what does he mean by that?

Keith Vaz: It is 11 years since I was the Minister for Europe. I can well remember the day that I was appointed. I think I got a call from either Alastair Campbell or Tony Blair—I cannot remember which of the two it was, and I have not checked the diaries to see whether either recorded this important footnote in history—to inform me of my appointment. I was completely shocked. I was a junior Justice Minister and was on my way to Blackburn when I got a call to say that I had to go down to Downing street because I was the new Minister for Europe. I remember my first conversation with the Prime Minister. I said, "I know absolutely nothing about the European Union," and he said, "You are the perfect Minister for Europe," so I was appointed.

What was interesting about those two years is that my instructions from No. 10 were to make the domestic argument to the British people about the importance of being in the European Union. We therefore had a Foreign Office roadshow, as part of the public diplomacy team. We had a coach that went round various parts of the country. We did not get to Somerset, but we did get to Wigan and other interesting places such as that, to remind the British people of the benefits of being in the EU. At the same time, the then Leader of the Opposition, now the Foreign Secretary, decided to have his own roadshow. He hired a lorry—you may remember this, Mr Evans; I think you were in the House at the time—and went round the country on the back of it, trying to convince people of the need to save the pound. He was convinced that the Labour Government were about to get rid of the pound and make us join the euro.

What was interesting about those visits was that the British people really did not understand enough about what was happening in the European Union. They did not understand what we were doing there, something that has become part of the sub-culture affecting summitry when Ministers have gone to defend this country's interests, including my successor, the current Minister for Europe. An in/out referendum would give the British people the opportunity to know all the facts about the European Union, so that they did not have to rely on some of the tabloids and some, if not most of the broadsheets; rather, they would rely on Members of this House going into the towns, villages and cities of this country and talking about our membership.

I know that those on my Front Bench will probably be a bit upset with me about this, because they know my record on the European Union. However, I am with the hon. Member for Wellingborough (Mr Bone), for whom I, too, have great respect, for all the work that he does in this House, and those other hon. Members who support an in/out referendum. Indeed, that is what I thought the Liberal Democrats' position was. When the question was raised at the tail end of the previous Government, I can well remember the then leader of the Liberal Democrats, now the Deputy Prime Minister, supporting that view in this very Chamber. I think I was sitting where the hon. Member for Cheltenham (Martin Horwood) is now—we were in government then—and I remember those very words: "Let us put this to the British people, because in the end it is they who will have to make the decision."

Dr Julian Lewis (New Forest East) (Con) *rose*—

Martin Horwood *rose*—

Keith Vaz: I give way to the hon. Member for Cheltenham.

Martin Horwood: I rise with some fatigue, having I thought made this point three times already, but the Liberal Democrat position was to support an in/out referendum at the time of a substantial transfer of power from the British to the European level. The Bill provides for far more referendums. That is not necessarily what the Liberal Democrats would have wanted in the first place, but this is the Bill before us and our Conservative colleagues believe that it is very important. Those referendums will be referendums on the specifics of a transfer of power. There is no logic to the new clause—and certainly no consistency with the Liberal Democrat position—because it says that only when a referendum is lost, thereby establishing that there will be no transfer of power, should an in/out referendum be held. It is barmy.

Keith Vaz: I am not surprised that the hon. Gentleman has had to explain that three times, because I am afraid that he lost me in the first sentence. I do not think that what he said is logical at all. I understand what the Government are trying to do. The Minister is here, and I know that the hon. Member for Rochester and Strood said that he had met him a few years ago at a dinner party. I first met the Minister for Europe when I was 18 years of age—*[Interruption.]* The hon. Gentleman was 18 as well? Goodness, that is rapid progress. Perhaps it was the same dinner party. Anyway, what the hon. Member for Cheltenham has set out is an illogical position. There is absolutely nothing wrong with having such a referendum.

Emma Reynolds: I would just like to point out that, as I think the hon. Member for Cheltenham (Martin Horwood) was trying to set out and as the hon. Member for North East Somerset (Jacob Rees-Mogg) so eloquently and clearly set out, new clause 11 would trigger an in/out referendum only if it were preceded by a referendum on a transfer of power that was then lost. The new clause would not introduce an in/out referendum before a referendum on a transfer of power.

Keith Vaz: I am grateful for that, but I feel very insecure every time my hon. Friend mentions the hon. Member for North East Somerset, because he is an intellectual powerhouse on these and other issues. I shall therefore stick to whether such a referendum would take place before or after. My hon. Friend will have to excuse me, because she is obviously also an expert on—*[Interruption.]* Yes, she is an expert: she is pointing at the provisions. I take this new clause to mean that the British people ought to have the chance to vote on this crucial issue. I am not afraid to put this vote to the British people.

Dr Lewis: I am grateful for the slightly delayed acceptance of my intervention. I simply wanted to say that I thought the right hon. Gentleman's speech, apart from being massively entertaining, was absolutely right about the Liberal Democrat position. One thing was missing from the gobbledegook that we heard by way of justification. There was only one reason why the Liberal Democrats were going for an in/out referendum: it was to try to disguise and camouflage the fact that they were reneging on their promise for a referendum on the Lisbon treaty.

7.30 pm

Keith Vaz: That may well be so.

One problem is that, in the end, we have to accept the judgment of Ministers about the transfer of powers. We all have our own views, but Ministers will go to a summit, come back and announce to the House that they do not believe that a massive transfer of powers is at stake. They view it perhaps as a semi-massive transfer of powers, so a referendum will not be required. The problem is that this issue will go on and on and on. It is a fundamental issue that should be resolved. The country needs to know where it is going on Europe, and there is nothing wrong with putting that question to the British people.

We have had an excellent debate. I know that my Front-Bench team will not be pleased when I announce that I am going to join those who support new clause 11. When we get this referendum—I think we will need one of this kind at some time in the future—we will see the leader of the Conservative party, the leader of the Labour party and the leader of the Liberal Democrat party all on the same platform together, supporting Britain remaining in the European Union. I am pretty confident of that, which is why I have no problem with the new clause, which I look forward to supporting in the Division Lobby.

Mr Hollobone: I was honoured to be asked to add my name to the new clause tabled by my hon. Friend the Member for Wellingborough (Mr Bone). I, too, would like to celebrate his genius not only in drafting the clause, but in taking advice from the Clerks and outdoing the Government Front-Bench team in having such a long debate on the provision this evening. He has worked tirelessly to get this issue debated on the Floor of the House, and I would like to congratulate him.

I am proud to say on behalf of my Kettering constituents that I am in favour of an in/out referendum and that if there were one, I would vote to leave the European Union. I have absolutely no doubt that if that issue were put to my constituents, a majority would vote to leave the EU. That would not necessarily always have been the case. Had there been a referendum 10 or 15 years ago, there might well have been a majority for staying in. I have no doubt that a majority of voters in the Kettering constituency would have voted to stay in the Common Market in the referendum of 1975. Now, however, people are so fed up with European issues and with the effect Europe is having on their country and their way of life that we have crossed over so that there would no longer be an overwhelming majority in favour of staying in. The majority would want to leave so that Britain can be a proud, self-confident nation once again, without having to pay a massive annual membership fee—soon rising to £10 billion a year—and without having to open our borders to all and sundry from across the European Union, allowing them to flood to these shores.

Immigration is a European issue. It did not used to be, but it is now. People in my constituency and across the country are fed up with the numbers of people coming into our country from abroad and fed up with uncontrolled immigration from the European Union. Frankly, my Kettering voters feel let down by the political establishment that our being in the European Union should have been allowed to take over so many aspects of our lives.

Andrew Percy: Does my hon. Friend share my embarrassment at the very idea that people from Australia, Canada and New Zealand—our Commonwealth brethren—are made to wait at our borders while we have absolutely no control over people coming here from 20-odd countries in Europe?

Mr Hollobone: I am grateful to my hon. Friend for that intervention because he has hit the nail on the head. In the few times I have had the misfortune to go abroad, whenever I come back into this country, I always try to do so without coming through the European Union section. I have been told several times that a British passport holder has no choice and has to go underneath the blue flag with the yellow stars. I just think it is a huge shame that our country has come to that.

The Minister gave the game away early on when he had difficulty responding to my perfectly reasonable request that Her Majesty's Government undertake a comprehensive audit of the costs and benefits of our membership of this European club. I would have thought that everyone would be in favour of such an audit. After all, if the argument for being in the European Union is so strong, why not get the evidence together and put it to the British people? Those who feel strongly that the time has come to leave the Union would also like to see the facts and figures presented. I perfectly understand

that it is going to be apples and pears, and that some things are not perfectly calculable, but Her Majesty's Government should at least make some kind of effort to tell the British people why it is so important for us to remain in the EU. As far as my constituents and I can see, the membership subscription is now too high, we have no effective control over our borders with the EU, and business and other institutions in our country are being strangled more and more, month by month, by the red tape emanating from Brussels. It is time that it stopped.

Mr Cash: Can my hon. Friend think of a single reason why we should not have a clear and positive policy to repatriate those laws that are now within the European Union, which are deliberately and wilfully destroying the British economy?

Mr Hollobone: I cannot think of a single reason—a straight answer to a straight question—and my Kettering constituents would greatly welcome the repatriation of powers that we have given away all too freely. Another example is the disgraceful common fisheries policy. I notice that a Department for Environment, Food and Rural Affairs Minister is now on the Treasury Bench; he is doing his best in Brussels to try to end the scandal of fish discards, but it is like pushing water uphill. We are not going to get anywhere with Brussels because it will not see sense on these issues. If I were to ask my Kettering constituents whether we should repatriate our powers over Britain's fishing waters, there would be an overwhelming vote to do just that. We have given all these things away.

Ms Louise Bagshawe (Corby) (Con): I am grateful to my hon. Friend and parliamentary neighbour for giving way. On that very point of the repatriation of powers, is he not concerned that new clause 11 presents a fourth choice to the British public? It offers a straight in/out choice. It does not lay in front of the British public what many of us would like to see, which is perhaps the most significant element that the Conservative party lost in the coalition agreement—a vote on the repatriation of powers. Many of us do not want to throw the baby out with the bathwater, but would like to see some of those powers repatriated to our country.

Mr Hollobone: That would be very nice, but I do not see the coalition Government repatriating any powers. For many people, it has now come to the issue of whether we are in or out. I do not believe that we can be "In Europe, but not run by Europe". That slogan is, I am afraid, no longer valid.

I know that many Conservative Members believe that we can reform Europe to make it better, but some of us have reached the point where we simply do not believe that that is achievable. I do not want to spend the rest of my life arguing that we can improve Europe for the better. I believe that Britain's best chance is to be an independent, sovereign, self-governing nation, with an enterprise economy looking out into the world, free from the restrictions that the European Union imposes upon us.

If Britain left the European Union, that would not mean the end of the European Union. It would still exist, but we would be freed from its shackles. We would be able to look out on the wider world, regain our economic self-confidence, and start to trade properly with superpowers such as China, India, and all the other countries with which we used to have such a wonderful relationship. Membership of the European Union is increasingly holding us back from both our past and our future as an entrepreneurial nation.

Our best hope of securing a decision in this Parliament lies in new clause 11. The new clause tabled by my hon. Friend the Member for Wellingborough may well present us with the only opportunity that we will have in the five years of this coalition Government to decide whether we are to have an in/out referendum. I know that the new clause does not provide a perfect solution, but part of the genius of my hon. Friend is that he has got this far.

Mark Reckless: Does my hon. Friend agree that members of the Labour party are generally in favour of winning elections, and that if there is a strong enough demand from the British people for such a referendum, it is very possible that the right hon. Member for Doncaster North (Edward Miliband) will flip his position on the issue?

Mr Hollobone: My hon. Friend may well be right.

Stephen Pound: We would rather lose with principle.

Mr Hollobone: From a sedentary position, the hon. Member for Ealing North (Stephen Pound) says that Labour would rather lose with principle. Well, they lost without principle at the last general election, and they will do so again many times in the future.

Emma Reynolds: I remind the hon. Gentleman that the Conservative party did not win the last general election with a sufficient number to form a majority. As for his other point, I know that many Government Members are very interested in this subject, but they may have noticed that not many Opposition Members are present. The simple fact is—*[Interruption.]* If hon. Members will hear me out, I will give them the reason. Since I was elected in May, not one of my constituents has raised this issue with me. I believe that the next general election will be won on the basis of the economy, jobs and the NHS, and I believe that this Government are putting those things at risk. They are what will be at stake in the next election, not the European Union.

Mr Hollobone: The fact that we are having to pay more than £10 billion to the European Union every year is not helping the economy. The increasing burden of red tape from Brussels is not helping job creation. The hon. Lady speaks of those issues as if they were separate from Europe, but in fact the European Union is increasingly having a say in them.

Emma Reynolds: The vast majority of our exports go to other European Union countries.

Mr Hollobone: There is some dispute over our export figures. However, even if we accept that a small majority of our exports go to the European Union—

Emma Reynolds: The hon. Gentleman uses the words "even if we accept", but that is a fact. As Foreign Office Ministers now tire of telling us, many more of our exports go to the European Union than currently go to China. Our jobs and our economy rely on the European Union for our exports, which is why the single market is such a good thing.

Mr Hollobone: Even if we accept the hon. Lady's opinion—which is not a fact—that a small majority of our exports go to the European Union, the question for her is this: is our future with Belgium or with China? There is another fact that she needs to address. We now have a permanent and ever-growing trade deficit with the European Union, which our membership of that organisation is doing nothing to solve.

Emma Reynolds: I returned from a parliamentary visit to China in September. Although they were very polite about it, I know that the Chinese are actually interested in trading with the EU as a bloc, and would like to see agreements between China and the European Union. We should understand that fact.

7.45 pm

Mr Hollobone: Of course the Chinese are interested in trading with the EU bloc, because it is a big economic entity. Were we outside the EU, however, China would also be interested in trading with us. As for the idea that if we left the EU we would lose 3 million jobs, that has never been proved by the Labour party, and it is misleading to tell the British people that so many jobs are tied to our membership of the European Union.

Andrew Percy: I cannot get away from my old job as a teacher. I want to help to disabuse the hon. Member for Wolverhampton North East (Emma Reynolds) of a couple of assumptions. Does my hon. Friend agree that businesses are not buying British goods just because we are in the European Union? The French are not buying goods from this country out of the goodness of their hearts; they are doing it because they make hard-headed business decisions, and they will continue to buy things from this country whether we are in the European Union or outside it. It is extremely likely that if we were outside it, we would continue to have a free trade agreement with them.

Mr Hollobone: The point is that if we left the European Union, we would continue to trade with the European Union. The idea that, if we tore up our membership slip, suddenly no one would talk to us or trade with us any more is nonsense.

Emma Reynolds: I think that the hon. Gentleman has reduced my argument to absurdity. *[Interruption.]* But my argument is not absurd. My argument is that countries throughout the world, from Latin America to the far east, are queuing up to sign free trade agreements with the European Union. If we were not part of the European Union, we would not be part of those free trade agreements, and would not benefit from them or from the additional exports resulting from them.

Mr Hollobone: Those countries would still be able to trade with us. The big difference between 2011 and 1972 is the fact that trade barriers have fallen all over the world and continue to do so. As a free independent trading nation, Britain would still be trading with China, India, South America and the European Union, with lower trade barriers than we had 40 or 50 years ago.

Martin Horwood: If the hon. Gentleman is not persuaded by the argument about the jobs that would be lost if we left the European Union, what about the democratic deficit that would result from our trying to trade and have full market access to the EU, while having absolutely no say in the regulations and legislation that would deliver that access?

Mr Hollobone: The democratic deficit in this country lies in the fact that most people want to leave the European Union, but are not being given a say in that.

Mr Carswell: If Labour Members are so confident about their position, why did they not support the proposal for an in/out referendum so that they could put their views to the British people and let them settle the issue in that way?

Mr Hollobone: Exactly. It is not necessary to believe that we would be better off out of the European Union to support new clause 11. If Members here are so confident that Britain has a bright, rosy economic future in the European Union, they too should welcome the opportunity to take their case to the British people and settle this wretched argument once and for all.

Dr McCrea: Is not the truth that Members are not confident enough to take the argument to the British people, because they are not confident about the outcome? At a time when major cuts are being made in every Department in the United Kingdom, are not the hon. Gentleman's constituents, like mine, concerned about the fact that we are paying endless billions to this European club?

Mr Hollobone: The hon. Gentleman is spot on, but I would go rather further. I do not believe that Her Majesty's Government, and other Members, are not confident; I think they now know that they would lose. They may not be drenched in e-mails and letters, but many members of our electorate have simply given up. That is why turnouts at general elections are now far lower than they used to be. Powers have drained from the House of Commons and Her Majesty's Government to Brussels, and people are increasingly asking, "Why bother to elect Members of Parliament at all, given that all the decisions are made over in the EU?"

I believe that if we had a referendum, all those issues would emerge. I believe that most people in the country would be happy if we re-entered some kind of European Free Trade Association. I believe that most of them want a common market—a trading arrangement with European countries. What they do not want is membership of this political club.

Mark Reckless: Would my hon. Friend support a relationship with the EU rather like that of Norway and Switzerland? They sell rather more to the EU than we do, and are also rather richer.

Mr Hollobone: Certainly, something along those lines would be most welcome. They also have substantially more control over their borders than we do. That is a big issue on the doorstep.

I come back to earlier remarks about the "Save the Pound" campaign in 2001. Opposition Members had the audacity to say that the British people did not understand it, but they did and if it had not been for the efforts of my right hon. Friend the Foreign Secretary when he was the leader of the Conservative party, there would have been a grave danger of the first-term Labour Government ditching the pound. If they had, they would not be laughing now because the economic mess in this country in 2011 would be much like that in Spain, with 22% unemployment.

Keith Vaz: The Foreign Secretary's lorry and my bus met in Wellingborough, so I am happy that this issue has been raised by the hon. Member for Wellingborough (Mr Bone) today. It was not because of the Foreign Secretary's campaign that the Labour Government did not abandon the pound: it was because they had no intention whatever of joining the euro.

Mr Hollobone: That was an interesting intervention. I am certainly of the view, as are many of my constituents, that we owe a huge debt of gratitude to my right hon. Friend for his efforts at that time and to all those in the Eurosceptic movement who made sure that Tony Blair did not go as far as he might have.

Mrs Main: Is my hon. Friend as surprised as I am to hear the hon. Member for Wolverhampton North East (Emma Reynolds) say that the Opposition Benches are virtually empty because there is no interest in this matter, even though it crosses so many issues in our everyday lives?

Mr Hollobone: I am most grateful for my hon. Friend's intervention. This shows the tragedy of what has been happening since 1997. There has been huge disinterest in matters European from Labour Members both when they were in government and now they are in opposition. That is why there was a massive loss of sovereignty to Brussels over the Blair and Brown years.

I am going to support the Bill. I supported it on Second Reading and I will happily vote for it on Third Reading, because it provides the referendum lock that the British people want. The purpose of new clause 11 is to strengthen that referendum lock so that no future Government would dare to propose a transfer of power that they thought they might have the slightest chance of losing. That entrenches the little bit of sovereignty that we have left. If Her Majesty's Government stood back and thought about this, they would welcome my hon. Friend the Member for Wellingborough's proposal and agree to the new clause without the need for a Division.

Mrs Main: I shall speak for just a few minutes on this particularly interesting clause, which I support. I should like to make a big apology to the Whips; I am sure that the eye-rolling and head-banging has gone on already, because they see the usual suspects rising to speak on this matter, but I think that it is important. I know that rather a tortuous device was used to get it debated today and I am grateful to my hon. Friend the Member for Wellingborough (Mr Bone) for his ingenuity.

I do not agree with my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) that the measure would somehow negate the referendum lock. Let me put that on its head: if we were to have a referendum about a significant transfer of powers and the public said no, where would that leave us? We would be standing alone saying no. It would be quite logical to go on and say, "We have been hearing grumbles over the years about your unhappiness"—for 19 years, as my hon. Friend the Member for Rochester and Strood (Mark Reckless) has pointed out—"over bits and pieces of legislation that you believe have come from Europe and may have impacted negatively, let's have an open debate about it and have a referendum on whether we should be in or out."

I completely agree with the right hon. Member for Leicester East (Keith Vaz), who spoke very eloquently. As I said in an intervention earlier, an in/out vote would not be a foregone conclusion. Indeed, I would look forward to a robust debate airing the positive aspects. Perhaps we could look forward to people being persuaded, despite some misgivings about whether or not we should give prisoners the vote, which we will debate next week, or whether they agree with human rights legislation being imposed on us from Europe—I believe that we were somewhat opposed to that in our manifesto—

Emma Reynolds: Does the hon. Lady recognise that that legislation comes from the Council of Europe and not the European Union?

Mrs Main: The EU is about to be a signatory of it. The hon. Lady said that Labour has no interest in this matter and that that is why the Opposition Benches are empty, so I am surprised that she still feels the need to take part in the debate.

Emma Reynolds *rose*—

Mrs Main: I look forward to hearing what she has to say.

Emma Reynolds: I thank the hon. Lady for giving me the opportunity to clarify my position, although if she had listened the first time perhaps she would have been clearer on it. I said that my hon. Friends have very pressing concerns that reflect those of their constituents about the massive programme of Government cuts taking place in this country and the risk to our economy and economic growth, as we saw last week with the shrinkage of our economy. That is what we are worried about, and we would rather have more time in the House to debate the NHS and the trebling of tuition fees. That is what I was saying and I do not think she should misrepresent my position.

Mrs Main: From the hon. Lady's rather tetchy remarks, I gather that most of her right hon. and hon. colleagues are off somewhere else debating more pressing matters, but this is being debated now and unlike her I think it is crucial that we debate it clearly. If we are game enough tonight to let people have a little sniff of the freedom of

[Mrs Main]

choosing, it could be the first time that many of them have a chance to hear the arguments for and against staying in the European Union.

Andrew Percy: On the comments of the hon. Member for Wolverhampton North East (Emma Reynolds) about Labour Members wanting to discuss more important issues, perhaps she would like to comment on why the Opposition have chosen the subject of forests, rather than the NHS, for tomorrow's Opposition day debate.

Mrs Main: That was not quite on the subject of the debate, but I take my hon. Friend's point.

Opposition Members could have had a referendum on the Lisbon treaty and I believe that my party and other hon. Members here felt that the people should have had a say, but they did not. The hon. Member for Cheltenham (Martin Horwood) advocated quite strongly having a debate on the in or out issue; I do not feel that the treaty's ratification negates that aspiration. I am sure that he would make a very robust defence for having an "in" vote, whereas other Members on the Government side who have concerns about it would make a robust argument for an "out" vote. That said, I am fed up with hearing constantly the mantra that now is not the time. It is never the time; it has not been the time for the past 19 years. When will be the time? The Bill offers us the opportunity to have a little hook on which to hang the possibility—that is all—that at some time in the future, if the people were unhappy about the relationship with Europe, they could say so.

I do not know how the people of St Albans or Cheltenham would vote or how the country would vote on this issue. I could be surprised and find that they wholly endorse our position within Europe, in which case any future Government could go forward with a robust mandate for referendum locks on transfers of power within treaties, because that would not necessarily mean that people want to give away more powers. People might say that they are happy with exactly the level of power that has been given away but that they do not want to give away any more. They might say yes to staying in but no to further transfers of power. That is why I disagree with my hon. Friend the Member for North East Somerset: I think that one can be in that position. Indeed, that is the position we are in now, because we are not taking a vote on this—we are staying put but saying that no more powers should be transferred.

I would like the good people of this country to have a say, because they do air their concerns when one talks to them in supermarkets, pubs and cafés. They air their concerns when they hear about some of the nonsense legislation we have to put up with and when they hear that we cannot do anything about some issue because it is a result of EU legislation. I think they would like a say, but that does not mean that they cannot be persuaded. I say to hon. Members, "Give us the chance to put the argument to the people and let them decide. Don't be frightened of giving them the chance to make a decision because you think they'll make the wrong decision. It's their country and we're here to represent their views." I do not believe in not asking them their views. If we can have a referendum on the alternative vote, which was never raised on the doorstep prior to its being raised in the House and which was not being advocated by a single party in the House, we should be able to have a referendum on something that was raised on the doorstep and on which some parties stood as a sole issue—Europe. I do not agree with the hon. Member for Wolverhampton North East (Emma Reynolds) that the Opposition Benches are empty because Opposition Members are not interested; I believe they are empty because they have been told to go off and play away at something different. It is the complacency demonstrated by those empty Benches that has led us to where we are.

In conclusion, I thank my hon. Friend the Member for Wellingborough for his ingenuity in getting the new clause debated on the Floor of the House tonight. I am sorry that the Whips and other hon. Members feel they have been kept here tonight because the usual suspects are making a noise and a row about Europe. But if we did not, I believe our constituents would say to us, "Don't ever say to me that you're unhappy about Europe, because when there was a chance for you to give us a say—at some point in the future not yet decided—you shut down that avenue, because you could." Tonight, I do not believe that avenue should be shut down. I believe it is the fear of knowing the answer that is shutting it down, not any logical reason.

8 pm

John Mann (Bassetlaw) (Lab): I can assure hon. Members from all parties that the Opposition Benches are not empty. Indeed, some of us feel roused to contribute to the debate, having heard the exhortations of the hon. Member for Kettering (Mr Hollobone), for example. It is an extraordinary saga. Every time one looks outside and sees the dark clouds and the moon hovering, Europe must be being debated again.

This is the party that, under Edward Heath, took us into the Common Market; the party that, under Margaret Thatcher, took us into the Single European Act and everything that flowed from it, including unlimited immigration from across the European Union; the party that, under John Major, signed the Maastricht treaty—on every occasion it is the Conservative and Unionist party of Britain that has deepened and strengthened our European ties, and yet when they are in power Conservative Members love nothing better than to debate these things. How many days was it last week? How many hours has it been this week, as they queue up demanding a referendum? Voters have had the option to vote for the UK Independence Party. UKIP stands proudly, clearly, as a voting option in my constituency and others, as it did at the last general election, and when it stands, the voters have the opportunity in their tens of thousands to flood to the polling stations to the rallying cry of UKIP. But such is democracy, they fail to do so.

With this Euro-fanatical Conservative party in power, we see yet again the rebellion from the discontented masses. They understand fully what is going on among their Front Benchers, because the Conservative party appeals to two different values. One is that of the little Englander, amply represented by my neighbour the hon. Member for Brigg and Goole (Andrew Percy), as one of the few Members who have attended this debate and joined the traditional long-standing contributors to Conservative thinking on these matters. The other is the vested interest of big business: when it comes to the crunch, the Conservative party in its very blood, and its

Front Benchers at every opportunity, wish always to strengthen and deepen the ties with Europe. By giving space to its discontented Back Benchers, as it has done repeatedly in this Parliament, the Conservative party shows that it likes to announce to the British people that it has a great tradition of Englishness and Britishness—of separation from Europe—but when it comes to the decisions, every single time it is the Conservative party that throws us further and further, deeper and deeper into the European Union. This new Government, albeit a coalition with the Euro-fanatical Liberals, are doing the same.

The independent Office for Budget Responsibility outlined in great detail how, under this coalition Government, immigration from within the European Union to the United Kingdom in this Parliament will be not the same as under the previous, so-called federalist, Labour Government. It will be not less, but more—significantly more. Why is that? It is because the Conservatives' paymasters—big business, as documented in the Register of Members' Financial Interests for all to see—demand that the Conservative party in power strengthens those ties with Europe while talking a different game and filling the parliamentary agenda with opportunities such as tonight's. So, yet again, we will see vast amounts of new labour joining this country—

Mr Carswell: The hon. Gentleman is rather verbosely explaining why we cannot trust politicians with these matters. Is that not a further argument for an in/out referendum, in which the people have the final say?

John Mann: There is nothing verbose in these remarks; if the hon. Gentleman wants verbose he can have verbose, but that would be quite improper. These are succinct remarks on the inherent contradictions of the Conservative party, which can never, ever break from the pressures of big business, which demands that once in power, it strengthens those links. That is why 700,000 new EU migrants will enter this country in this Parliament. When the Conservative party talks about growth and trade, what it really means is cheaper labour, and worse conditions for workers in this country. That is the free market that the Conservative party represents: allowing competition at the lowest common denominator. No doubt, I will again be going on rallies at power stations, where British workers are finding their pay and conditions and ability to apply for their jobs undermined by the so-called European single market that the Conservative party took us into.

Mrs Main: I have listened to the hon. Gentleman's remarks with interest, but I have yet to hear his views on new clause 11 and whether he will be even remotely considering voting in favour or against. Would he elaborate on that?

John Mann: I am approaching my conclusion, when I will do that, but first there is another factor that ought to be re-stressed. There has been a lot of talk about what the people think. I will tell the Committee what the people think: the people think it is an absolute disgrace that, when the health service is being cut to ribbons and maternity units across the country are being destroyed, time is being taken up constantly discussing the Conservative party's obsession with the European Union rather than major issues.

New clause 11 should address whether what the Conservative party signed up to under Margaret Thatcher and John Major, in the spirit of Edward Heath, which allows unfettered labour migration into this country, is the way forward, or whether there should be restrictions that protect the jobs and livelihoods and standards of living of workers in this country. That is the debate that this Government are scared of, and that is why they like to pander to the pretence that there could be some debate about whether the country is in or out of Europe. This Government should be held to account for their failure to negotiate properly in Europe on that and on bankers' pay. They are wholly miserable in their efforts in doing so. That is what Parliament—

Jacob Rees-Mogg: I thank the hon. Gentleman for giving way in his brilliantly enthusiastic speech, but he is not being his usual even-handed self, because he accuses the Conservatives of allowing people to come from eastern Europe, but it really was the last Labour Government who let in most of them.

John Mann: Fair point. That is precisely why, on those demonstrations at Staythorpe with Unite and other unions, I was the only parliamentarian who spoke on behalf of the workers in my constituency and others. However, I know that I am not the only one; perhaps the hon. Gentleman would wish to join me on such picket lines in future, in protecting the interests of British trade unionism and British workers. That is the debate—on what is really needed in the future, in this Parliament and in Europe—that this unholy coalition alliance Government are refusing to allow to take place.

Those Back Benchers who wish to strengthen against the ever-onwards and upwards movement of big business in Europe should also create the opportunity for votes on these things, rather than simply going back to basics. Therefore, I call on them to join in the battle for a real debate on Europe, but not to the exclusion of the cuts in public services that this coalition, with these Liberal traitors, is bringing to this country, because that is the debate that the country wants.

Mr Shepherd: At the end of that roaring speech, I am not sure whether the hon. Member for Bassetlaw (John Mann) is for or against the new clause. I shall just reflect because, for some of us, this is an important debate. Even the recent history of the Labour party seems to have passed the hon. Gentleman by: Kinnock's opposition; Kinnock being in favour—all the pastures of the past 30-odd years—but where are we?

I take the debate quite seriously. I have supported referendums on the European Union and its treaties for many years now. What started as a Common Market and is now a European Union touches and reaches into every level of our Government and our life, from employment laws to what hours doctors may work. These things are now determined elsewhere. I suggest that undoubtedly the most major constitutional change of the past 100 years has been the development of the European Union as an almost sovereign body, with a legal system that sits above our own regard for our constitutional verities.

[Mr Richard Shepherd]

The central proposition of the Labour party, which we heard much about just now and which most hon. Members respect the history of, was the vote, organising and the creation of the unions, so that the party might one day hold seats in the House and come to determine the shape of national policy. That was the great goal, and it succeeded. Yet, within a generation, Labour, which was cautious about the development of the European Union, has changed. Peter Shore wrote that great, very cautious speech, "A thousand years of British history". "We do not know how this will develop," said Hugh Gaitskell, "We have to wait and see." It was a cautionary speech. Of course it is true that it was characterised as demonic by the Conservative Administrations who were still negotiating to enter into the European Community, or Common Market as we called it. That is the background to why the Labour party wanted power, universal suffrage, the right to determine the conditions of the working people of this country and to distribute wealth.

8.15 pm

Now, this new generation—the Kinnock age—has so integrated into the European Union that it has Front Benchers who believe almost with the passion of a religion that it cannot be challenged or contradicted. Let us consider the very words that are used—this clerisy of the Community, where these high priests of Brussels try to determine, and largely do determine, the laws under which we live. So I see this as a matter of principle.

I have watched the development of this new constitution over the past 30 years, from when we did not do referendums to when we now do them at the drop of a hat. At one time, they were meant to be consultative. We have already had a referendum thrust on us on the voting arrangements that we have had traditionally, because of course it is part of a coalition agreement, as the hon. Member for Bassetlaw mentioned just a moment ago. So there is no absolute bar to holding a referendum on a great constitutional issue. That is the proposition that I am putting to the Committee.

I make an observation from my own experience over the years that I have served here. The sovereignty of Parliament that we talk of is, in fact, shorthand for the sovereignty of the people. That is what the Labour party once believed in, and that is what animated and generated the clash of ideas about how a society should self-govern. When Peter Shore, who wrote that original great speech for Gaitskell, stood on the Opposition Benches to debate a referendum measure—a Bill, as it happened—before Maastricht in the dying days of the Mr Major's first Administration, he made the argument about that most prized thing: the self-government of the people of these islands, to determine their policies and their laws in the best interest of the people of this country. That runs beyond and before the Labour party was ever created, and it was the great driving dynamic of our constitutional development. It was unthinkable that we should pass to others the determination of employment, our banking regulations and every level of government that we can think of. That is why there is an urgency in this. It has done something very profound to our view of ourselves and this country's view of its constitution and its own people. It has degraded it.

I mentioned during the early stages of the Bill the question that people ask all around the place, irrespective of party—they are intelligent people, although not of course as formidable as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg). They know not who governs them, who was responsible for this particular law and who was insistent on this change in long-tried and settled practice. How did we ever end up with an election system called a d'Hondt system, no less? Perhaps the hon. Member for Bassetlaw will explain to us the reasoning behind the former Home Secretary's insistence that that was a very necessary new development that made incomprehensible to us those who now represent us as MEPs.

We had one item in the Bill that truly we could have had a referendum on: one new Member of the European Parliament. The place goes to the west midlands, unless, as my right hon. Friend the Minister for Europe said, further and better particulars come to note and it may go to another region. That is what we are fiddling about with.

The Bill is paper-thin, and I think most of us know that. It is here to salve a conscience. We gave a clear undertaking on these matters. It was the most joyous part of my election address to talk about the recovery of the powers over certain essential laws. We were then advised by the Prime Minister, when he was still the Leader of the Opposition, that this treaty had been passed. There was no remembrance that Mr Wilson had a referendum after the passing of a treaty on a renegotiation.

When we play across the Commons like this, we are actually talking about something that is precious to this civil and political society, to these islands. It is about our governance and our Government. If people no longer have confidence that we are able, when there is a settled will, to execute the great measures necessary for the recovery and reconstruction of this country, what is the purpose of this place? That is the challenge that every Member of Parliament faces. It is also the challenge for the Labour party, which is almost married to the European Union after the conversion of Kinnock. Except for that dour soul from Dunfermline, it accepts everything.

Emma Reynolds: Will the hon. Gentleman give way?

Mr Shepherd: If the hon. Lady will forgive me, I will not. I did not intend to speak for long on this.

I listened to the hon. Lady, and to my right hon. Friend the Minister for Europe's exegesis on the marvels of the provisions, and his aspirations for how, with the new thrust and trust, we will somehow make a dynamic entity of the European Union for the benefit of the British people. That might be so; I do not know, but I have heard that story from Governments of both parties over more than 30 years. They are often good people who stand before us and bring forward these measures. They believe in them at the time. The unfortunate coincidence of the elapsing of time demonstrates how often they were wrong in their interpretations and understanding of the commitments that they entered into by prerogative power and supported by legislative process. As my hon. Friend the Member for Stone (Mr Cash) consistently points out without hesitation or deviation, that is the fault of the Whips. I do not believe that we are simply biddable, but that is what it looks like to the outside world.

There is therefore a purpose behind this proposal. It is an expression of something that is alive not only on this side of the House. I do not want to disillusion the hon. Member for Bassetlaw, but this sentiment is shared across the Chamber. I see the same souls: they might say that they have converted, but, like the slaves in Babylonia, they got back to Israel. We have to return to this question: what is the purpose of this House? Who do we represent and why do we represent them?

There is merit in the fact that we have at least had the opportunity to discuss this proposal. It is not the perfect vehicle to achieve this aim, however. We are in the midst of a crisis. I have always supported the idea of holding a referendum, but that was slightly challenged when the former Minister for Europe, no less, the right hon. Member for Leicester East (Keith Vaz), proceeded round the country in a caravan. Members will remember that he was the only man in Britain who met two Eurosceptics. I think he gave us their names—Ken and Dave, or whatever. It was almost impossible, during the conflicts over the treaties, to go round the whole of the United Kingdom in his van. We asked for reports. My right hon. Friend the Foreign Secretary made great humour of the situation, but humour is not the same as intent. That is what this is about.

Behind all this, I sense a growing intent on the part of the British people to have a greater resolution than the flim-flam that we are dealing with in this Bill. I respect my hon. Friends for saying that it is at least something, but that is what we have heard about all the brakes. This party was united against the social chapter in the Maastricht treaty. In fact, the opposition to it nearly brought the then Government down. There was the threat of a Dissolution if we lost that argument. I remember the Chief Whip telling me that we would be decimated, and we faced that in that arcane and silly way that people do when they are under pressure: "Only one in 10; that's not a bad result." The truth, however, was that this party knelt, in government. That is the progress that has been made.

Trade statistics have been mentioned. I grew up in an age when the port of London was perhaps the greatest entrepreneurial port, with the greatest volume of trade. Times changed; labour relations changed. Entrepôts grew on the continent of Europe, and they are the means by which we now export. It was pointed out earlier that we had a trade surplus, but today we have a trade deficit with Europe. This might merely be a reflection of the changing patterns of the way in which we export. No one brings forward the figures.

These are the little stones that begin to build a wall, and the wall is growing. I believe profoundly that the people of England, Wales, Scotland and Northern Ireland ought to have a say on this. I shall approach the matter from the point of view of realpolitik, however. The very threat, and the very undertaking, of a referendum put fear and aghastness into the heart of Brussels and the other members of the European Community.

If we are to be able to manage our own economy, to recover our place and standing in the world and to become economically secure, we have to recover some of these powers. There is no doubt in my mind about that. Many of us on these Back Benches are now committed to seeing that that comes about. Let no one doubt it: there will also be people on the Labour Benches who will give a cheer for this proposal. There might well be people in Ulster who will also give it a cheer. I caution the hon. Member for Wolverhampton North East (Emma Reynolds), and I also say to my right hon. Friend the Minister that it was his expression of hope and belief that really undermined my confidence in his judgment after all the years that he has been in the House, given that he has seen this ratcheted, one-way transference of authority.

We are now challenged over our home affairs and justice system. The common law of England, Wales and Ireland is under threat. We are transferring much of our criminal justice system to another system that does not understand the common law because its civil tradition is different. I do not knock other people's systems of law. If it works for them, they must have it. But we know what has worked and given confidence to us across generations. I heard the flimsiest defence of how we were going to preserve that in the face of Strasbourg and Luxembourg. This is a big, big issue. It has haunted part of our debate. It is not seriously addressed. Opt-ins can take place and profoundly change who we are, even now.

I urge my hon. Friends to reflect. The rights that we are talking about are not our own rights. We are just citizens in this matter, as are those whom we represent. It is their rights that we should be mindful of. They are entitled to determine the course that we take in respect of these European matters.

8.30 pm

Kate Hoey: It is a great pleasure to follow the hon. Member for Aldridge-Brownhills (Mr Shepherd), who for many years has been a voice in Parliament for democracy and civil liberties. I share many of his views on the issue. It is a shame, in some ways, that we are debating such a hugely important matter as whether we should have an in/out referendum in the context of the Bill, because that is not what the Bill is about, as I know the Minister would agree.

I congratulate the hon. Member for Wellingborough (Mr Bone) on persisting and pushing new clause 11. I am one of the signatories to it, and I am glad that we finally got a debate. As someone said about two hours ago, the debate is giving us a great deal more time to discuss these issues than we would normally get.

I said earlier that I hoped hon. Members would keep talking until I got back from an engagement. I am grateful that they not only managed to keep talking, but are still talking. I was opening a new climbing wall at the Westway centre in London, and I was reminded there of a practical aspect of the European Union that people find so irritating. Some time ago the European Union working at heights directive was issued, which seemed sensible. Everyone assumed that it would apply to people working in industry, building sites and so on, but our officials—our zealots—always want to gold-plate. They thought that those who taught mountaineering should be subject to the working at heights directive.

It took nearly three years to bring that to an end and to ensure that the way we taught mountaineering and climbing in this country would not be ruined by a directive that insisted, for example, that certain ropes should not be used. Hon. Members who are mountaineers will well remember that. While the Committee was debating the new clause, I was reminded of a practical

[Kate Hoey]

example of where the European Union starts off with a good idea, a few people agree with it, no one is ever asked about the detail, and when it finally comes to be implemented, the officials, the bureaucrats and those who love to be able to impose things on other people strengthen the directive so that it sometimes goes way beyond the common-sense reason behind it.

John Mann: It was in the previous Parliament, as chair of the all-party mountaineering group, that I negotiated the end of the working at heights directive, or rather its subjugation in relation to mountaineering. Does that not emphasise the point that the regulations were easy to deal with—the meeting took five minutes—but the problem was how officials in Whitehall had chosen to interpret a straightforward directive that, in relation to certain professions, was extremely important?

Kate Hoey: My hon. Friend is right. I recall vividly that he was instrumental in that.

The same happens with practically every directive. It is all very well saying that the problem is just the officials. They are not elected. Ministers and Members of Parliament are elected. Directives are always gold-plated by civil servants. My hon. Friend remembers how long it took to get the argument across and to get Ministers to understand it and realise that the way the directive was being applied was not sensible. In other areas where directives are implemented, people may not realise that until the last minute or until it is too late. The European Scrutiny Committee is a brilliant Committee with its current Chair and with the hon. Member for Luton North (Kelvin Hopkins) on it, but it can never perform the necessary scrutiny.

I support the new clause, although, as has been said, it is not ideal or what we would really like. It has been a long time since the people of the United Kingdom had the opportunity to say whether they support the direction of the EU and where it is now compared with where it was when I opposed entry into the Common Market. I accepted that the country had decided to support it, but, over the years, what people voted for then has changed, as we all know, and now we need that debate again, not only as to whether the country supports the direction in which the EU has come and where we are now, but where it should go in the future.

I may be wrong, but my guess is that the vast majority of the British people do not like the direction that the EU has taken and the fact that this Parliament and this country have lost control over many areas. As I have said, there is no point blaming one party over the other. Both major political parties have, in their different ways and not always in the way they intended, conspired to stop the real debate. We saw that with the Maastricht treaty and with the Lisbon treaty, on which the Labour party acted disgracefully, having given a commitment to a referendum. Then the Conservatives, who had given a commitment to a referendum managed to get out of it because the decision had been taken. But, as has been pointed out, just because the decision had been taken to sign it, there was no reason why the British people should not have been allowed a referendum immediately afterwards to decide whether they wanted to continue with the agreement that had been ratified.

Even the most avid supporter of the EU, of which there are many on the Labour Benches, would have to accept that when the EU and the Commission do not get what they want in a vote they simply find another way to have another vote, as happened in Ireland. That is why there is no confidence in the EU. I have a lot of respect for the Minister, who, certainly in the past, will have been seen as not necessarily a Eurosceptic but a Eurorealist, or some other term. He may feel that he is doing the right thing, but the reality is that no one in the country trusts any of the politicians in power, of whatever party, on this issue. Something seems to happen to people when they are elected to Government and go to Brussels. They experience some kind of transformation. For some reason, they suddenly become part of it all. In many cases they become more ideological about it than some of the other European countries.

A long time ago, when I was a Minister in the Home Office and went with the then Home Secretary to meetings in Brussels, we would have a clear line about what we were doing on a justice and home affairs position. We would argue passionately. France would argue the other way and other countries would argue differently. Then in the tea breaks or wine breaks, they would ask us why we felt so strongly on a particular matter. They would say that they did not particularly like it, but they would support it, although they did not really intend to implement it. There was a general feeling that it did not really matter to many of those other EU politicians; they were part of it because they wanted to be part of the club and the whole European project. But they knew jolly well that when they went back to their own countries they would do the bit that they wanted. We were the exact opposite. We would fight our corner, but we would then have to give in because the Prime Minister would decide he wanted something else in some other department in Brussels. Not only would we agree, but we would implement the policy zealously.

Mark Reckless: Does the hon. Lady agree that we have this evening seen an honourable exception to that? The right hon. Member for Leicester East (Keith Vaz), who was a Minister for Europe and might have adopted such a position having been there and seen that, said that it is for the British people to decide.

Kate Hoey: I am sorry that I missed the contribution made by my right hon. Friend the Member for Leicester East when I had to leave the Chamber. We were both in Europe for a short period when my time in the Home Office coincided with his time in the Foreign Office, so I know his views on the matter and I am pleased that he has them.

I genuinely do not understand what we are afraid of, and neither do the public, particularly those who are strongly in favour of a referendum. What is the problem? We can no longer put it down to cost, because we are having this ridiculous referendum on the voting system, which most people are bored silly with—they yawn when it is brought up, even at political party meetings. I accept that it was set out in the coalition agreement, but there is no huge enthusiasm for that referendum, and yet we are spending so much money on it.

A referendum on the European Union would revitalise the political debate within this country. We would enliven things and go back to days of having public meetings. I

accept what my hon. Friend the Member for Bassetlaw (John Mann) said about the economic problems the country faces, but I do not think that having a debate on the EU would be a diversion. It would be a way of showing that there are other ways of running this country's whole economic policy. We would get that debate and get out there among the people, because I know that they feel strongly about it.

I will not speak much longer, other than to say that I have been quite proud—others will laugh—to be associated with the campaign on the in/out referendum run by the *Daily Express*. As some Members might already have mentioned, yesterday a number of us took 373,000 envelopes, which had been returned from across the country, containing the slips published in the *Daily Express* asking for an in/out referendum. Those were just the envelopes, so many more were sent via e-mail. I think that we should be proud of the fact that a newspaper has managed to arouse that debate, and I would not care whether it had been done by the *Daily Express*, the *Daily Mail*, *The Daily Telegraph*, *The Sun* or even the *Daily Mirror*.

The hon. Member for Aldridge-Brownhills (Mr Shepherd) talked about a growing mood in the country. We can sit here in isolation and ignore that mood, or we can grab it and lift it as an opportunity to get some decency and honesty back into politics. We should get that debate and have a referendum at some stage on whether we are in or out of Europe. I know that the Whips do not want Members to vote for this small new clause, but I say to Government Members that I have opposed my Whips on many occasions and am still alive and still here. To vote for it would send out a little signal that the issue will not go away.

Mr Cash: For me, the debate is not about the wording of the new clause, but about a question of principle. It is also about whether we are a democratic nation. As my hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) pointed out, and as many of us have argued for so many years, the question of why we are here in this House, ultimately, is entirely dependent on our relationship to the electorate. This is about democracy, not government.

We began our proceedings on the question of sovereignty some time ago, when we debated clause 18. In that debate, I made it clear—I believe that we won the argument—that the real question was whether this country would be able to govern itself or would end up being increasingly governed by judicial supremacy, and the European Scrutiny Committee report clearly demonstrated that point. For those of us who watched, for example, the recent BBC 4 programme on the Supreme Court, there is no doubt at all about the attitudes of some of the Justices in the Supreme Court and of many senior academics who are deeply influential in the Foreign Office and elsewhere. I know that the Lord Chancellor and Secretary of State for Justice, my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke), understands that extremely well; I have heard him say so.

8.45 pm

There are serious questions about whether the judiciary seek to undermine—not deliberately, but by their language—the sovereignty of this House. So a referendum is about whether sovereignty—the ultimate authority for the government of this country—belongs to the Government, the Prime Minister, No. 10 Downing street and the like, who are elected and accountable to this House, which in turn is accountable to the electorate. Of all those different components of our constitutional arrangements, untidy as they may be, the most important is the sovereignty of the people.

Indeed, under our constitutional arrangements, we cannot even have a referendum unless it is endorsed by Act of Parliament, but that is the moment when the people of this country speak to their representatives, who by mutual accord reply, "This issue is too big for us. We have dithered for too long. We have not resolved these questions. We have allowed your self-government and your Parliament to be subsumed into and absorbed by the decisions that other countries take, by majority vote, so that the laws passed by this House are no longer passed exclusively by Members of Parliament, but by the process of the Whips, the process of government and by the acquiescence and the Europeanisation of this country, which nobody can deny."

Anybody who has listened to these debates over the past few days will be in no doubt that, whatever this Bill purports to do—the window-dressing that it represents, the aspiration to hold referendums after this Parliament—there is a continuing process of Europeanisation on criminal law, criminal procedure, civil matters, the whole immigration process and the issues of citizenship. They are increasingly being taken away from this House and transferred to the European Union. It is a policy of transfer.

The talk is of the transfer of competences and powers. What about the political transfer that takes place on a daily basis? Only this afternoon, I was in a European Committee on the stabilisation mechanism. A total of £8 billion of British taxpayers' money has now been committed to the prospect of bailing out Portugal and Spain, for no other reason than that, during the interregnum between two Governments a few months ago, the outgoing Chancellor entered into an unlawful agreement and the incoming Chancellor effectively endorsed it. For the British people, £8 billion is now at risk in times of austerity.

The question is, who made those decisions? I wager that the people responsible include those in the Treasury. The legal advice that I asked the Minister to provide and the other advice from the Treasury has been denied to me. The answer will be published tomorrow. It was given to me only 20 minutes or so before these proceedings began, and it effectively states, "You can't have the answer to these questions, because if we give them to you it will be inconvenient for the running of government."

Mr MacShane: The hon. Gentleman says that the previous and current Chancellors entered into an unlawful act. Is he saying that the current Chancellor of the Exchequer is a criminal?

Mr Cash: That is an absurd comment. I am speaking in terms of the vires of the treaty. It is a different question; it is nothing to do with what the right hon. Gentleman has said. It was a serious misjudgment. It was an agreement that cannot be justified by the legal base. The European Scrutiny Committee said in its

[Mr Cash]

report that the agreement on that particular mechanism was legally unsound. That is what I mean. It has exposed the British taxpayer to a very significant sum of money.

However, that is just one example. The real question, ultimately, is one of democracy and trust. It is a matter of principle, and that principle is demonstrated by what happened in respect of the Lisbon treaty. We stood here in this House, month after month, debating the Lisbon treaty. I tabled perhaps 120 or 130 amendments. We united the Conservative party: for the first time since 1972, we had complete unanimity. Of those with a different view, only one is still in the party now—the others have all fled to other parties—and he is the Lord Chancellor and Secretary of State for Justice. He is entitled to his view and I respect him for the consistency with which he pursues it, however much I may disagree. The Conservative party was united in opposing every aspect of the Lisbon treaty and united for a referendum, and we voted accordingly. For reasons that have been put forward, but which I simply do not accept, that promise of a referendum was torn up.

Other promises with regard to the European issue—promises made in our manifesto—have not been sustained. These are serious matters. It is no surprise that the people of this country lose faith and trust in their politicians if such decisions are taken. This applies just as much to the Labour party or the Liberal Democrats. Broken promises are broken manifesto promises. Manifesto promises are the basis on which people ask to be elected and get into this House to represent the interests of the people who vote for them in the polling booth. If we break our promises, it is hardly surprising if the people of this country begin to feel a sense, first, of unease, and then of contempt for the political system.

This is constitutional reality, but also practical reality: it affects people in their everyday lives. We heard from the hon. Member for Vauxhall (Kate Hoey) about the working at heights directive. We heard from the hon. Member for Bassetlaw (John Mann) about the posted workers directive. We have heard about the working time directive, the nurses agencies directive, and so on. The EU affects every single corner, every single nook and cranny of our lives, and we appear to be powerless to do anything about it.

A few days ago I got the figures from the Library on the balance of trade between ourselves and the European Union. They are alarming. In relation to the 27 member states, between 1999 and 2009—it has got very much worse in the past 18 months—we had an imbalance of £5 billion. With the rest of the world, we have had an improvement of £11 billion. There is a message there: you cannot trade with a bankrupt organisation if you are a successful company. The European Union, with its low growth, its riots and protests, and its failure, demonstrates why a referendum is required, as the new clause says, on the question of

"continuing United Kingdom membership of the European Union".

For me, this is not just a question of in or out, but of to be or not to be a democratic nation state. This is not a matter to be trifled with.

I have profound views about the manner in which the coalition Government are dealing with this issue. As the Minister for Europe said in the debate last week, the Government have a European Affairs Committee, two thirds of which is Conservative and one third of which is Liberal Democrat. I pointed out to him that that Committee clearly could not have a vote, because we would win every time and we would have the policies that we stood on in our manifesto. So who is wagging the tail? It is clearly the one third of the Committee that are Liberal Democrats, combined with the instincts of those on our side of the equation who want more Europeanisation, although they disclaim it. That is another problem for us.

In Prime Minister's questions a few weeks ago I asked why it is that at every turn, whenever an issue of integration comes up, we always go in the wrong direction. Why has repatriation been rejected? It is the repatriation of powers, using the well-known formula—notwithstanding the European Communities Act 1972—that would enable us to re-grow our economy and answer the question that is now before the Chancellor of the Exchequer: why is our economy not growing? We can tell him that it is not growing because 50% of our trade is with the European Union, which is itself in deep trouble and has low growth. At the same time, we cannot grow our economy because we are strangled to such an extent by the red tape of Brussels. Those two situations can be retrieved only through a new relationship between us and the European Union.

This is not just a constitutional argument, but an argument of practicality. It is an argument of to be or not to be a democratic nation state, a great sovereign state and a successful country that represents the interests of the people we serve—not ourselves. As I have said so often, it is not our Parliament, it is their Parliament. They are entitled to know that if things have not gone right—things certainly have not gone right with Europeanisation—we have an absolute obligation to ask them for their opinion. That is democracy, that is trust and that is what will restore integrity to this House and the British political system.

Mr MacShane: I have considerable sympathy with the speech of the hon. Member for Stone (Mr Cash). A year ago, his party was Cash and Carswell; now it is Clegg and Cable. His party has surrendered the authenticity of its position on Europe for the marriage of convenience with the Liberal Democrats. That is his problem, not mine.

I am not so sure that the European Union is to blame for the fact that we alone of the major European Union economies have zero growth, inflation of 3.6%, a shrinking currency and rising unemployment. This House and this Government could at a stroke tomorrow cut taxes, abolish national labour laws that they do not like and do whatever they think might turn this situation around. I gently suggest that perhaps it is the economic management that needs to be looked at.

I want to address the fundamental point that was made by the hon. Member for Stone and my hon. Friend the Member for Vauxhall (Kate Hoey), who has left her place. Should this democracy be based on plebiscites and referendums, or on the authority of this House? In recent days, the issue that the people of Britain have been in touch with me about is the selling off of Sherwood forest, our woods and our free forest lands to private interests. Perhaps I would like to respond to them by saying, "Let there be a referendum on this

issue." Previously, the issue about which people were in touch with me was the tripling of student fees, on which one of the coalition parties broke, in the most fundamental and flagrant way, a solemn promise that it had made and signed in public. We have no mechanism to have a referendum on that matter. I could also mention the education maintenance allowance.

9 pm

I put it to the hon. Member for Stone and my hon. Friend the Member for Vauxhall that if they want a Britain governed by referendums, I can accept the intellectual argument for having one on the EU, but we must then have one on other issues that matter to the people of this country. If Members want referendums on the selling-off of forest lands, the cutting of benefits, the closing of Sure Start and the tripling of student fees, I am tempted to say crudely, "Be my guest."

In our democracy, which has been shaped, formed and hammered out over centuries, it is the 650 Members elected here—soon to be 600, because for the first time in British history we are reducing representation and claiming it as an advance for democracy, but I will leave that to one side—who have made the decisions, good and bad, that have been rendered to the people. The people have then decided at the next election whether they support the decisions that have been made. If we want a plebiscite and referendum democracy, we must have it for everything. Some people sincerely believe in that, and I respect their position, but let them stand up tomorrow and say, "I will vote to give the people the right to decide on the selling-off of forests, or the tripling of student fees." That is the fundamental problem.

My hon. Friend the Member for Bassetlaw (John Mann) was right to point out the problem of the gold-plating of EU directives. Directives have arrived in this country and we have voted on them, and many of them have been in the name of business, to promote the single market and to allow British traders of every sort to function fully and freely in the world's biggest economic market. However, when directives are transposed into British law, they seem to double in size as every little worm and maggot in Whitehall gets into them and seeks to add his or her little bit of gold-plating. The House could resist that, but we have no mechanism for examining such problems when they begin to come down the legislative track. We receive the directives only at the end of the process, by which time it is often too late. I fully accept that complaint, which requires a different way of working and a process of engagement and argument.

I fully respect those who say that the answer is to quit the European Union. That is an honourable position. Their duty, it seems to me, is not to persuade the *Daily Express* and its pornographer owner that their cause is just—*[Interruption.]* There is a cry of "Shame" from a sedentary position, but on the whole, my belief is, "By how you make your money shall thee be counted." In the case of the owner of the *Daily Express*, he has made a great deal of his money out of the most hideous exploitation of women and young girls. It is for those who want to walk with that gentleman to decide whether that is the company that they want to keep.

The new clause is reasonable, but Members who vote for it tonight will have to accept certain consequences. It would fundamentally change our parliamentary democracy. From this tiny little wooden shed with its nice green leather benches, we would be giving other powers outside our Parliament the right to call for votes, energise democracy and create support for campaigns as they wished. Some might say that that is direct democracy, but I am not sure that giving someone the ability to sign a cheque for £1 million, £2 million or £5 million, is any kind of democracy—direct or indirect—but that is for the Committee to decide.

That is a problem for the governing parties. They must decide whether to support new clause 11. I obviously hope that they will not support it, because I believe that the strength of our country and our democracy is that such decisions are made here in the House of Commons—things are not decided by offshore proprietors, pornographers or others with very large cheque books.

Mr Lidington: This has been a passionate debate. Although I am unable to accept new clause 11 on behalf of the Government, I admire the integrity, commitment and, as others have said, the parliamentary ingenuity, of my hon. Friend the Member for Wellingborough (Mr Bone). As befits somebody who is assiduous in his attendance and fierce in his affection for, and loyalty to, the House of Commons as an institution, he has gone through the rule book and explored parliamentary procedure to ensure that an issue about which he cares so strongly has ample time for debate on the Floor of the Committee.

I want to do my hon. Friend justice by responding in detail on his proposal on its merits. The difficulty is not simply that new clause 11 seeks to do something that is not within the scope of the Bill as the Government have framed it, but that it raises a number of important political questions.

Mr Bone: On a point of order, Ms Primarolo. Could you correct me if I am wrong? If new clause 11 was not within the scope of the Bill, we would not have been allowed to debate it today.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): You are correct, Mr Bone, that for a new clause to be selected, it must be in order. The Minister probably did not quite mean what he said.

Mr Lidington: I qualified my statement, Ms Primarolo, by saying, "as the Government have framed the Bill". The intended purpose of the Bill is to provide both additional parliamentary scrutiny and the ultimate sanction of a public referendum on decisions that would transfer powers and competences from this country to the EU. The Government's purpose was not to provide for the sort of additional referendum that my hon. Friend the Member for Wellingborough seeks. It is indeed a tribute to his parliamentary skill that he has found a way, within order, to seek to address that issue.

The Second Deputy Chairman: Good say, Minister. The proposed new clause is in order. Whether the Government actually like it or think that it should be in the Bill is the purpose of this debate. I think we have clarified that now.

Mr Lidington: I am perfectly happy to abide by your ruling on that, Ms Primarolo.

Mr David: I do not wish to intrude upon private grief among Conservative Members, but I agree with you absolutely, Ms Primarolo, and you are absolutely correct that there is no question of the proposal being out of order.

The Minister gave a very interesting summation of the Bill, but he did not mention one crucial aspect of it. He did not say that referendums will not apply in this Parliament.

Mr Lidington: Assuming that the Bill gains parliamentary approval and Royal Assent in the normal way, it will apply during this Parliament from the time when it comes into effect. As I said earlier today, one illustration of that is that the treaty change proposed by Germany and being taken through EU institutions at the moment will have to be ratified by primary legislation rather than simply by a resolution of both Houses, as would be the case under the current legislation, which was introduced by the previous Government in 2008. What distinguishes this Parliament is that the Government have said, as part of their coalition agreement, that we do not intend to agree at European level to any proposal to amend the treaties or invoke passarelle clauses that would require a referendum under the terms of the legislation that we have been debating for a numbers of days now.

The referendums authorised under the Bill are intended to be final decisions. They will give people the opportunity to judge whether a particular proposal to give new powers to the European Union is in the national interest. One of the things that is troubling about the new clause is that it implicitly assumes that those who vote no to a particular proposition also want to challenge the UK's membership of the EU, but I do not think that that can be taken for granted. As other hon. Members have said, there is a risk that some people could be influenced in how they vote on the substance of a proposal by a calculation of whether it would be likely to produce the end result of an in/out referendum. Such electors might take into account his or her views on the in/out proposal and not just the pros and cons of the measure on which they are being invited to cast a vote.

I think that my hon. Friend the Member for Wellingborough overlooks the problem of a possible succession of referendums on Britain's membership of the EU. It is possible to imagine that under a future Government—not this one—referendums on moving to qualified majority voting for common foreign and security policy and on joining the euro might be scheduled for two successive years. The new clause would leave open the possibility of an in/out referendum after one—or, indeed, both—of those referendums, because under his new clause a rejection of the first proposition would trigger an in/out referendum, which might result in the public deciding to stay in the EU. A second referendum on a treaty change might come forward 12 months later and also be rejected, and then, in the course of less than a year, we would find ourselves with two successive referendums on the UK's membership of the EU. That is not a sensible way in which to conduct our relationship with the countries of the EU.

Nor does the new clause address what would happen if there were two questions on a ballot paper in one day, which we debated earlier. Why should a positive vote for one treaty change proposition and a negative vote for a second trigger a referendum? One cannot read into how people cast their votes on treaty change proposals what their view would be of the desirability of a referendum on membership. More fundamentally, however, the new clause does not capture the range of opinions held by the British people. The hon. Member for Vauxhall (Kate Hoey), whom I completely respect on these matters, said that she wanted people to be able to express a view on the direction that the EU was taking. However, that is not what people are being offered through the new clause, of course. They are being offered the opportunity not to express their view on the direction of the EU, but to say whether the UK should remain a member.

Kate Hoey: The Minister must know that it is precisely because of the direction of the European Union that people want the opportunity to say that they do not like that direction by withdrawing from the European Union.

Mr Lidington: Withdrawing from the European Union is not the only choice for people who are dissatisfied with the current arrangements. There are plenty of people around who want Britain to remain a member of the European Union, but to have certain powers currently exercised in Brussels repatriated to this country. After all, that was the combination of views expressed at the last general election in the Conservative party manifesto, which sought the repatriation of certain powers, but said:

"A Conservative government will play an active and energetic role in the European Union".

9.15 pm

My hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) made a strong point when he said that one of the disadvantages of the new clause was that it could weaken the chances of making stick under future Governments of a different political colour the new arrangements for a referendum on any transfer of competence and power to Brussels. It is very much part of this Government's intention that the arrangements embodied in the Bill should become a settled and generally accepted part of our constitutional order. No Parliament or Government can guarantee that any piece of legislation that they bring forward will be immune from amendment or repeal by a future Parliament. However, just as the previous, Labour Government's devolution legislation, which was vigorously opposed by my party at the time, has now become accepted across the House and is something that my right hon. Friend the Prime Minister endorses and has frequently declared he is intent on making work better, so, I would argue, it will be possible over the course of time to persuade the hon. Member for Caerphilly (Mr David) and his party that the measures in the Bill are in the national interest and that they will make for a system of government and relations between Westminster and the European Union in which the British people have greater confidence.

Finally, I do not believe that the new clause will provide the additional safeguard during European Union negotiations that a number of my hon. Friends suggested it would. What will strengthen the position of United Kingdom Ministers in negotiations is the knowledge around the table among Ministers from every other member state that if any treaty change is to be agreed and ratified, it will have to enjoy the approval not only

of the British Government of the day, but of the British people, expressing themselves through a referendum as provided for in the Bill. I do not think that new clause 11 adds to the safeguards that we have provided. While respecting the integrity of the position of my hon. Friend the Member for Wellingborough, I would ask him not to press his new clause to a Division.

Mr Bone: I am grateful for the Minister's kind words at the beginning of his comments, and I am genuinely disappointed that the Government have not accepted my new clause, which would have moved things forward for this country. There is little between us on this issue, so it is a shame that the Minister could not accept the new clause. I will seek to divide the Committee because of what we have heard today. This has been a good debate; indeed, I am surprised that it took off. I was expecting the Division, if we were going to have one, at about 6.30 pm, so at this appropriate juncture I again thank the Whips for arranging for this debate to take place and for allowing so much time. If it had not been for their help last Monday, that would not have happened.

We have heard from a number of hon. and right hon. Members. Let me deal first with the right hon. Member for Rotherham (Mr MacShane) and the hon. Member for Bassetlaw (John Mann), who both made their points powerfully. I disagreed with them, and I entirely hope that they are not in the same Lobby as I am when the Division occurs. Right at the beginning of the debate—it is some time ago now—we heard a powerful and thoughtful speech from my hon. Friend the Member for Rochester and Strood (Mark Reckless), who set the tone for the proceedings. We also heard a good speech from my hon. Friend the Member for Brigg and Goole (Andrew Percy), whose remarks cheered me up enormously.

The right hon. Member for Leicester East (Keith Vaz) is always worth listening to, and again he did not fail the Committee this evening. He took a principled view—he is greatly in favour of the European Union—that we should have an in/out referendum. An equally able parliamentarian, my hon. Friend the Member for Kettering (Mr Hollobone), took exactly the same view that we should have a referendum, but a completely different view on whether we should be in the European Union.

My hon. Friend the Member for St Albans (Mrs Main) took the opposite view to that expressed by my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg). I thank my hon. Friend the Member for St Albans, but I think that my hon. Friend the Member for North East Somerset expressed the most important concern in his thoughtful speech. I disagree with his conclusion that the new clause would be more likely to lead to a transfer of powers, but the issue, as developed in today's debate, has not mainly been about that technicality, but about whether we support an in/out referendum. If hon. Members support such a referendum, I urge them to vote for new clause 11.

Once again, the hon. Member for Vauxhall (Kate Hoey) made a remarkable speech. The particular point I took from what she said was that an in/out referendum would revitalise politics. As she rightly said, there would be public meetings up and down the country and the people would be involved in the issue again.

My hon. Friend the Member for Aldridge-Brownhills (Mr Shepherd) kept the flag flying yet again, as he has done over the years. His speech went to the heart of the issue, but I will reserve my last comment for my hon. Friend the Member for Stone (Mr Cash), who has fought and fought again on this issue over many years. He summed it up very nicely when he explained that this is not an "in/out" referendum, but a "To be or not to be?" referendum. Are we to be or not to be a democratic nation state?

I urge all Members to make up their minds on the basis of whether they are for or against an in/out referendum. If they are for it, I urge them to vote for new clause 11. I also urge the Whips to allow this to happen, as promised in our manifesto.

Question put, That the clause be added to the Bill.

The Committee divided: Ayes 26, Noes 295.

Division No. 186] **[9.23 pm**

AYES

Baker, Steve
Baron, Mr John
Bone, Mr Peter
Bridgen, Andrew
Campbell, Mr Gregory
Carswell, Mr Douglas
Cash, Mr William
Chope, Mr Christopher
Clappison, Mr James
Drax, Richard
Goldsmith, Zac
Henderson, Gordon
Hoey, Kate
Howarth, rh Mr George
Jenkin, Mr Bernard
Lewis, Dr Julian
Main, Mrs Anne
McCrea, Dr William
Nuttall, Mr David
Percy, Andrew
Shannon, Jim
Shepherd, Mr Richard
Simpson, David
Skinner, Mr Dennis
Turner, Mr Andrew
Vaz, rh Keith

Tellers for the Ayes:
Mr Philip Hollobone and Mark Reckless

NOES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bottomley, Sir Peter
Bradley, Karen
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Chishti, Rehman
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, Glyn
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duncan, rh Mr Alan
Dunne, Mr Philip
Durkan, Mark
Ellis, Michael
Ellison, Jane

Ellwood, Mr Tobias
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Hemming, John
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Long, Naomi
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Roger
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
James Duddridge and Stephen Crabb

Question accordingly negatived.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Bill to be considered tomorrow.

9.38 pm

Sir Menzies Campbell (North East Fife) (LD): On a point of order, Madam Deputy Speaker. In the course of the last hour, President Mubarak has announced that he will not seek re-election as the President of Egypt—the culmination, but probably not the end, of the remarkable events of the last few days. Have you received any request from the Secretary of State for Foreign and Commonwealth Affairs, or indeed from any other Foreign Office Minister, to make a statement about the consequences of that decision, which will undoubtedly have an impact on British policy towards Egypt, and almost certainly on Britain's policy towards the middle east region?

Madam Deputy Speaker (Dawn Primarolo): I am grateful to the right hon. and learned Gentleman for giving me notice of that point of order. I have not

received notification this evening of any intention to make a statement but I know that all Members of the House, as others, have been following this very closely and I am sure that those on the Government Benches have heard his comments this evening.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

VALUE ADDED TAX

That the Value Added Tax (Exceptions Relating to Supplies not Made to Relevant Business Person) Order 2010 (S.I., 2010, No. 3017), dated 20 December 2010, a copy of which was laid before this House on 21 December, be approved.—*(Mr Dunne.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

That the Value Added Tax (Payments on Account) (Amendment) Order 2011 (S.I., 2011, No. 21), dated 10 January 2011, a copy of which was laid before this House on 11 January, be approved.—*(Mr Dunne.)*

Question put and agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

That the Value Added Tax (Buildings and Land) Order 2011 (S.I., 2011, No. 86), dated 17 January 2011, a copy of which was laid before this House on 18 January, be approved.—*(Mr Dunne.)*

Question put and agreed to.

EUROPEAN UNION DOCUMENT

Motion made, and Question put forthwith (Standing Order No. 119(11)).

ANIMAL CLONING FOR FOOD PRODUCTION

That this House takes note of European Union Document No. 15277/10, a report from the Commission to the European Parliament and the Council on animal cloning for food production; and supports the Government's view that a ban or temporary suspension on cloning, the use of clones and the marketing of food from clones is disproportionate in terms of food safety and animal welfare.—*(Mr Dunne.)*

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Monday 7 February, paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motion in the names of Angus Robertson and Mr Elfyn Llwyd as if the day were an Opposition Day; proceedings on the Motion may continue, though opposed, for three hours and shall then lapse if not previously disposed of; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Heath.)*

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the UK Government's energy policy as it relates to Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Thursday 10 March at 9.00 am and 2.30 pm to consider—

(a) questions tabled in accordance with Standing Order No. 103 (Welsh Grand Committee (questions for oral answer)), except that questions shall be addressed to, and answered by, Ministers in the Department for Energy and Climate Change;

(b) the matter referred to it under paragraph (1) above; and

(3) the Chair shall interrupt proceedings at the afternoon sitting not later than two hours after their commencement at that sitting.—*(Mr Heath.)*

PETITION

Child Benefit

Madam Deputy Speaker (Dawn Primarolo): Order. Will hon. Members who are leaving the Chamber please do so quietly and as quickly as possible?

9.41 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I have pleasure in presenting the petition of my constituent, Mr Paul Francis Dodd.

The petition states:

To the Honourable the Commons of the United Kingdom of Great Britain and Northern Ireland in Parliament assembled.

The Humble Petition of Mr. Paul Francis Dodd,

Sheweth, that the Petitioner believes that the Government's recent announcement regarding Child Benefit is unfair; that the Petitioner is a married man with a daughter aged 2 years; whose salary is £44,500 p.a., which is just inside the threshold for a higher rate tax payer; that the Petitioner's wife gave up work to look after their daughter and has no income; and that from 2013 the Petitioner and his wife will not be entitled to receive Child Benefit.

Sheweth, that the petitioner believes that the Government's proposals have two flaws; that a family with both parents earning a salary less than the higher-rate tax threshold, which could total around £88,000, will continue to receive the benefit; and that, if both parents earn a salary that is half that earned by the petitioner, £22,250, not only will they continue to receive the benefit, but they also receive two tax-free allowances for their salaries.

Sheweth, that the petitioner believes that revisions are necessary to the Child Benefit system; that the family income should be taken into account, not just the income of one of the individuals in a family; that the petitioner recognises that this is expensive, but he believes that it is the fairest way to judge a family's income and hence its needs for benefit; that, if this is not possible, then a gradual phasing out of the benefit for earners over the higher rate tax threshold would be very easy to implement; that it would be easy to reduce Child Benefit by one percentage point for every £1,000 earned over the higher rate tax threshold; that this would still leave a majority of the benefit for those earners, such as the petitioner, who only just enter this limit; and that it would also remove Child Benefit for those who earn over £144,000.

Wherefore your petitioner prays that your honourable House urges the Government to review its policy on Child Benefit.

And your petitioner, as in duty bound, will ever pray, etc.

[P000882]

Post-16 Students

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

9.43 pm

Nic Dakin (Scunthorpe) (Lab): When the Secretary of State for Education gave evidence to the Select Committee before Christmas, he confessed that the funding of post-16 education is even more mystifying and complicated than that of the rest of the education service. As a sixth-form college principal until I became an MP at the last election, I am, however, a bit of an anorak about the funding of 16 to 19-year-olds' education, so I am afraid that some of what I have to say is a bit technical. Former colleagues have contacted me concerned about the proposals coming out of the Young People's Learning Agency that landed in colleges just before Christmas—an interesting Christmas card, some might say, but it suggested a not so happy new year for post-16 students.

I understand that the Department for Education has agreed provisional budget figures with the Treasury for the next four years but has not yet published them. It looks as though the total budget for education and apprenticeships will rise by 1% over the next four years, partly to provide funding for an extra 68,000 places, or 4% growth in the number of post-16 students. The YPLA is proposing a cut in entitlement funding from 114 guided learning hours to 30 guided learning hours. Guided learning hours are what YPLA funding buys. This represents a 75% cut in entitlement, which will translate into a 12% cut in overall funding for sixth-form colleges, and a significant cut for general further education colleges and school sixth forms. Sixth-form colleges are particularly affected because they concentrate almost solely on 16 to 19-year-old learners.

Lilian Greenwood (Nottingham South) (Lab): Does my hon. Friend agree that places such as Nottingham, where a high proportion of learners study in colleges rather than in school sixth forms, will be particularly hard hit by these changes?

Nic Dakin: That could turn out to be the case, as the changes happen. One of the problems is that the YPLA has not yet made clear what all the impacts of the changes in funding will be. There is therefore a little bit of hope that this might not happen, and I am sure that the Minister will address that point in his response.

Caroline Lucas (Brighton, Pavilion) (Green): In Brighton, we have three sixth-form colleges, each of which faces a cut of at least 12% over the next four years as a result of the cuts to entitlement funding. Does the hon. Gentleman agree that, once inflation and VAT have been factored in, we could be looking at funding cuts of up to 20% by 2014-15, which really is a burden too hard to bear?

Nic Dakin: That is the worry. Such figures are floating around in the sector, and they are very disturbing, as the hon. Lady rightly says.

Entitlement funding currently provides the money for, among other things, tutorial and guidance systems in colleges, careers support, some targeted support for weaker learners, and health advice. It also pays for those non-examined activities such as sport, drama, music, volunteering and vocational experiences, which broaden the educational experience of young people.

Damian Hinds (East Hampshire) (Con): I would like to raise the case of a student called Georgia, who is studying at Alton college in my constituency. As a result of the guided learning hours, she has had the opportunity to study creative writing and poetry, as well as something called "applying to competitive courses". She has also received one-to-one coaching for her Oxbridge entrance. As a result, she now has an offer from Girton college, Cambridge. I am sure that the hon. Gentleman would acknowledge that part of the whole picture involves trying to find the money to fund the young person's premium, which is analogous to the pupil premium. I am sure that that is something that we would all applaud, but is it not also important always to find space in the curriculum, and in the funding, for these enrichment activities that can put state-educated children on an equal footing with privately educated children, and that those activities receive the priority that they deserve?

Nic Dakin: The hon. Gentleman makes a very good point, drawing on a clear case study from Alton college, an excellent college in his constituency. He makes the point that it is crucial to strike the right balance and ensure that colleges can continue their excellent work in developing the whole person and allowing young people from a state education background to access the best universities. Alton, and other colleges up and down the land, have done this very well over the years. He also draws attention to what is happening to the money for disadvantaged students, which it appears is being creamed off. It is not yet clear how it will be distributed, and that is at the heart of this issue.

Bill Esterson (Sefton Central) (Lab): A friend of mine who used to teach at a college in my hon. Friend's constituency told me of my hon. Friend's fine reputation in his previous role. My hon. Friend was talking about the funding cuts for 16 to 18-year-olds. I have here a note from the principal of Hugh Baird college in Sefton, who tells me:

> "The very significant cut in entitlement funding for 16-18 year olds will make it a real challenge for many colleges...to give learners the excellent pastoral support, the personal and social responsibility and employability skills which they deserve and need to positively contribute to the economic recovery and society in general."

Would my hon. Friend care to comment on that information?

Nic Dakin: My hon. Friend makes a clear and cogent point and draws on another case study from another very good college, this time in his constituency. In many ways he makes the same point as the hon. Member for East Hampshire (Damian Hinds) about how entitlement funding helps to develop the whole person and is crucial to the thrust of our education service and to what colleges have done so well for so many years.

Mrs Jenny Chapman (Darlington) (Lab): May I reinforce the point made in the two previous interventions and speak about social mobility? When I discuss the issue with the principals of Darlington college and Queen Elizabeth sixth-form college in Darlington, they say

that although they are getting better and better at producing the right grades to get their students into good jobs and good universities, their students are still unable to access the same opportunities as other young people because they do not have some of the softer skills and wider experiences in life that young people from different backgrounds have been able to access as a result of their family's income. It is so important that our colleges are able to give young people those opportunities and experiences while they are at college.

Nic Dakin: I thank my hon. Friend for her intervention. She mentions two more very good colleges, both in her constituency. The point that she makes about social mobility builds on the points made earlier by the hon. Member for East Hampshire and my hon. Friend the Member for Sefton Central (Bill Esterson). What entitlement funding has done so well is provide experiences that enrich and expand young people's experiences so that they gain greater confidence and are able to aspire to go on to greater things. The education system post-16, building on the building blocks of the pre-16 experience, has done that so well over recent years. The proposed cuts to entitlement funding call into question colleges' ability to maintain that momentum.

At the same time as entitlement funding has been cut by 12%, the maximum funding for each student has been reduced from 787 hours, or 1.75 standard learner numbers, in the jargon of post-16 funding, to 702 hours, or 1.56 standard learner numbers. That is a 10% reduction in that part of the funding formula. I warned hon. Members that the debate would get rather technical at certain points.

Some of the money saved by these measures will be returned to colleges and schools with higher numbers of students from disadvantaged backgrounds or with low entry qualifications, but details are not yet available of how the £150 million of disadvantaged funding will work. As the hon. Member for East Hampshire said, the lack of clarity and lack of understanding are causing concern in the sector. Those in the sector understand what is going, but they cannot see what might be coming back into the picture.

Transitional funding, which is being put in place to dampen the effect of the cut in entitlement funding, means that the maximum cut in funding per student next year will be 3%, but there is a lack of clarity about how this funding cut will be profiled in future. Many college principals are working on the assumption of a 3% cut each year for the next four years. Many are drawing up radical proposals to address the shortfall, which might be disastrous for the student experience and result in job losses in the sector.

Many colleges are telling me that if the cuts go ahead, they are likely to lead to a severe reduction in the amount of tutorial, guidance and enrichment available. That will probably be reduced to less than an hour's tutorial session a week for students, and nothing else will be able to be resourced. Colleges will be in danger of becoming nothing more than exam factories, unable to spend time on developing the whole student, a job that they are recognised as doing extremely well at present. Interventions from Members on both sides of the House tonight have evidenced the effectiveness of the job that our colleagues in the post-16 education system are doing on behalf of those students who, after all, are our future and the country's future.

It is likely that providers will now struggle to offer a broad range of extra-curricular activities that have for so long been a key characteristic of sixth-form education. Team sport, orchestras, drama productions, sign language, community volunteering, rocket science and magazine editing will all be put at risk.

Julie Hilling (Bolton West) (Lab): Does my hon. Friend agree that these cuts will be compounded by cuts to youth services, so opportunities for positive activities for young people without means will be cut off completely?

Nic Dakin: My hon. Friend makes a good point. What is happening in education should be put in the context of what is happening in services available for young people outside the classroom. I fear that without the provision of culture and sport in post-16 education, students will access these pursuits only if they or their parents can pay for them. That is the danger, and my hon. Friend emphasises that by drawing attention to the pressures on youth services at this time as well.

Yvonne Fovargue (Makerfield) (Lab): Does my hon. Friend agree that colleges such as those in my constituency, Winstanley and Wigan and Leigh, might find the excellent links they have developed with employers jeopardised by the lack of funding and the lack of ability to send students out on visits, work experience and day trips to try some employment? In an area of high unemployment such as Wigan, those are particularly vital.

Nic Dakin: I thank my hon. Friend for that contribution. Colleges are resilient and imaginative places, and I am sure that they will work hard to ensure that those student experiences are maintained. However, she is right that some of the funding for those activities comes from entitlement funding and that, if it is being cut by 75%, there is a need to square the circle, so colleges will need to look at ways of doing that. That might mean that class sizes rise or that there are other impacts on the system. However, she is right to emphasise the importance of vocational experience, sometimes quite short bursts of vocational experience within a package of learning as well as fuller training directly in the workplace, which will continue to be fully and properly resourced.

The size of the cut is unfair in comparison with the cut in funding per learner in primary and secondary education. It is also quite amazing that sixth-form colleges, rightly applauded by the Secretary of State and widely recognised as one of the most efficient parts of the education system, should be hit so badly. Surely that is an unintended consequence of a change in policy.

Will the Minister look again at the potentially very disruptive impact of the change to entitlement funding on different types of post-16 providers and consider ways of mitigating any unintended consequences? Will he provide information very soon on how much disadvantage funding will be allocated to each post-16 provider? Will he meet me and a group of college principals so that he can better understand the impact of the changes on those at the sharp end of understanding what is going on?

Finally, and slightly tongue in cheek, although I would welcome a positive answer, if he wishes to witness at first hand the excellence that the current arrangements resource, he might join me for John Leggott's spring

[Nic Dakin]

concert on 5 April to experience one example of what we have at the moment and what these changes might put in jeopardy.

9.59 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I congratulate the hon. Member for Scunthorpe (Nic Dakin) on securing not only the debate but an audience, which is unusual at this time in the House's proceedings. I apologise that the Minister of State, Department for Education, my hon. Friend the Member for Bognor Regis and Littlehampton (Mr Gibb), who has responsibility for schools, is not responding to the debate, as would normally be the case. He is rather involved with the Education Bill at present, but I hope that I will be something of a second-best.

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

Tim Loughton: The hon. Member for Scunthorpe started his speech by openly and freely admitting that he was something of an anorak on the subject of 16 to 19-year-old education funding in this country, but I cannot admit to being even a cagoule in that respect. I will therefore take away his more technical questions and ensure that he receives a more detailed and considered answer from colleagues elsewhere in the Department—part of this is rocket science, as he said.

I also pay tribute to the many staff who are in the position he was in before bringing his great practical expertise to the House. There are many people involved in education in this area who do an excellent job up and down the country in difficult circumstances, as we all acknowledge, and play their part in the essential crusade to upskill young people leaving education for the increasingly competitive employment environment that they face.

I appreciate many of the concerns that Members on both sides of the House raised during what has been a good and rather more inclusive debate than is normal in Adjournment debates. The hon. Member for Darlington (Mrs Chapman) made a good point about the softer skills that are also important in educational experience, which we want to ensure are not lost. The hon. Member for Scunthorpe talked about the effect of enrichment skills on expanding the range of knowledge and confidence of young people. He also acknowledged that money will be returned to colleges to target disadvantaged students, a point to which I will return.

The hon. Member for Bolton West (Julie Hilling), slightly predictably, raised the subject of youth services, in which she is something of an expert—she is making sure that the House is in no doubt of the fact. She knows that the subject is within my brief and that we will be having discussions on it soon, so there are various things that I will be able to discuss with her then. The hon. Member for Makerfield (Yvonne Fovargue) rightly mentioned the effect on high unemployment areas.

I will refer first to the spending review, which is the basis of the hon. Gentleman's concern in bringing the subject to the House's attention. I entirely appreciate the concerns about the current inevitable uncertainty, and we will seek to address that and produce clarity as soon as possible.

Bill Esterson: The Minister mentioned concern, so perhaps I can remind him of the concern that the cut we are discussing will have a combined effect with a number of other cuts. The cuts to college and sixth-form funding, when added to cuts to university funding and education maintenance allowance and the trebling of tuition fees, means that there is huge concern, particularly among students from less well-off families, about the ability to go into higher education at all. Will he respond to that point in his remarks on the spending review?

Tim Loughton: I am sure that I will respond when I get beyond the first paragraph of my comments. We are here to talk about a specific aspect of education, and as with the Secretary of State's approach in all other aspects of education, particularly at this time of scarce resources, we are determined to concentrate as much as possible on the disadvantaged and close the achievement gap, which has widened too far, and for too long. We have to have that particular focus—it is why we have come forward with the pupil premium and other particularly well targeted schemes—to ensure that those who are left behind or need extra support have a chance to be on a level playing field with other students. I shall comment on that in a moment.

In the spending review, we had three priorities: protecting schools funding; early years; and ensuring that by 2015 every young person can continue in high-quality education and training, so that they are better prepared for the world of work or for university. The latter has not necessarily received the attention that it deserves.

We are spending more than £7.6 billion in 2011-12, a 1.5% cash increase over 2010-11, so that—

Margot James (Stourbridge) (Con): Will my hon. Friend give way?

Tim Loughton: I will—mid-sentence.

Margot James: The Minister refers to a 1.5% increase in funding. Both colleges—the further education college and the sixth-form college—in my constituency place great store by enrichment activities, such as music and other absolutely vital elements of a rounded education. Is it not the case that colleges are to have greater freedom over how they spend their income in future years? Can he see any reason why they will not be able to use some of the increased spending to fund the much-needed enrichment programmes that everyone in the House is so keen to see continue?

Tim Loughton: My hon. Friend is right to point that out, and again I shall come on to some comments in that vein.

Coupled with a focus on targeting the most disadvantaged and helping to close that gap is a Government priority to devolve greater powers, autonomy and freedoms to educational institutions at all levels—to ensure that principals, heads, teachers and governors

are freed from so much of the prescription, bureaucracy and targets that went before, so that they can make the most appropriate decisions for their local student community. They, surely, are the people best placed to make those decisions. If it means concentrating more on enrichment activities, albeit with a tighter financial settlement, we must leave it to the judgment of those principals and others to make such decisions at the sharp end. My hon. Friend is right to raise the issue.

So, we are spending an extra 1.5% cash over 2010-11, so that a record 1.62 billion young people can have a place—*[Interruption.]* Sorry, I think that should say "million". We are not quite China yet. Teenage pregnancy is part of my brief, but we have not quite reached that point.

Anyway, we are spending an extra 1.5% cash over 2010-11, so that a record 1.62 million young people can have a place in education and training. That is 23,000 more places than in the current academic year. Within that total, we are increasing the proportion of funds directed at young people facing disadvantage and deprivation in order to help schools and colleges attract and retain those 16 and 17-year-olds who currently do not participate in education and training at all. We are also increasing the amount spent on foundation learning, so that those young people who were failed by the previous Government's school policies, which pumped in billions but still left many at 16 without the skills they needed to progress, can access the courses that suit their needs.

To do that, however, we have to take account of the economic situation. There is no getting away from that. Every decision that the coalition Government take is made against the backdrop of the difficult economic position that we inherited. Although Opposition Members would like to put those uncomfortable facts to one side, those of us in government have to deal with them, recognising that decisions on schools and colleges throughout the country need to take account of the dire position of public finances.

The enormous interest charges we are paying on our national debt, now standing at £120 million per day, mean that we spend more on servicing that debt than on all our schools and colleges put together, and that just cannot go on. Unless we bring the deficit under control, future funding for this critical phase of education will be endangered and future generations will suffer the consequences. That means we have to ensure that every penny we spend on 16-to-19 education and training brings real benefits to the learner, helps those who need help most and ensures young people are educated to higher levels than now.

We took the decision to reduce the requirement for enrichment activities for two reasons. The Government's first priority is to protect the core education programmes offered by schools and colleges—the whole range of courses, including A-levels, vocational qualifications and apprenticeships. It is this core that delivers the real benefits to all young people and enables them to progress successfully into higher education or employment. That is not to say that I regard the enrichment activities that the hon. Member for Scunthorpe has so eloquently praised as unimportant—far from it.

Nic Dakin: I hear what the Minister says. In some ways, it is sadly predictable in so far as it suggests that there has not really been a proper understanding of what is happening on the ground, where there is genuine concern about the impact of the cuts, which could be quite difficult. Pastoral support and guidance is part of the entitlement funding, and that is very much part of the core of the education system as it stands.

Tim Loughton: I understand the hon. Gentleman's point, but he must understand that we have had to make these difficult choices. In an ideal world and an ideal economy, we would be able to service and finance a full academic and enrichment programme and the complementary aspects that much of that brings, but we do not have the luxury of that choice at the moment. As I have said, I am not in any way trying to undermine the importance of some of the things that he has suggested. The chess clubs, the debating societies, the Duke of Edinburgh's award scheme, and many of the things that went on in his own college are indeed important. But at a time when we want to maximise participation by all 16 and 17-year-olds, alongside a need to respond to extremely difficult economic circumstances, providing a funding entitlement to those activities to all full-time learners cannot be a priority.

Damian Hinds: In acknowledging, as I think everybody does, that in this very difficult financial situation economies have to be found, does my hon. Friend agree that the conversation could be broadened to address some other elements? We could look at some of the cost drivers and things that go on in sixth forms today that did not take place when any of us were there—for example, the number of exams that students do and the growth trend in the number of one-year-only AS-level courses. I am not saying that I have a recommendation to make, but merely suggesting that some of these things could be part of the discussion about where to find economies.

Tim Loughton: I am happy to pass on those comments. Obviously, more detail will come out in the proposals. As a priority, we must equip the students going through this part of the educational process with the skills, qualifications and educational know-how that they need to go out and compete in the big wide world. These will be decisions for heads and principals to make at the sharp end.

I accept that tutorial provision for all is important, and that is why we have protected that, as far as possible, but at a time when we need to ensure that our funding of 16-to-19 learners is as effective as can be, we have to focus funding on those who need additional support. That is why—the hon. Member for Scunthorpe mentioned this—we have recycled the savings into areas of a higher priority where we know that more needs to be done.

Our second priority is to increase support for the most disadvantaged and less able young people; I alluded to this earlier. Only about a quarter of young people on free school meals in year 11 get the equivalent of two A-levels by the age of 19—half the level of those who are not on free school meals. I am aware of the hon. Gentleman's excellent track record while he was principal of John Leggott sixth form college. Perhaps I could now politely turn down, while very much thanking him for it, his invitation to the spring concert at John Leggott college at Easter. If I can possibly go the following year, I will endeavour to do so, if it is still going by then. I am sure it will be all the better without me.

[Tim Loughton]

To be serious, I am aware of the hon. Gentleman's excellent track record while he was principal of that sixth-form college in raising the aspirations and attainment of disadvantaged learners. I am sure he will agree that that is a key priority for the available funding. If he is looking for takers for concert tickets, I am sure that the hon. Member for Ealing North (Stephen Pound)—one of the old rockers in the House—will endeavour to go along and bring great gaiety of the proceedings, as he always does to proceedings in this House.

We are replacing what we see as the inefficient EMA programme with a new discretionary learner support fund to focus resources on those in real financial hardship and to ensure that no learner is prevented from staying in education as a result of their financial situation. That is also why we are increasing the amount of 16-to-19 funding for those learners from 2011-12. Funds will be increased by more than a third to £770 million. We will not dictate to schools and colleges how they should use that funding. They know best how to attract and provide for disadvantaged 16 to 19-year-old learners. However, I would expect some of the funding to be spent on the activities previously funded under enrichment, but targeted specifically at the learners. That relates to the point made by my hon. Friend the Member for East Hampshire (Damian Hinds).

Andrew Percy (Brigg and Goole) (Con): The Minister is right to comment on the record of my neighbour, the hon. Member for Scunthorpe (Nic Dakin) at John Leggott sixth form college. On the issue of EMA funding, will protections be put in place to ensure that when colleges are near to each other and are in competition, the discretionary learner fund is not used as a way of recruiting students to a particular college, and that it is genuinely used for the students and young people who need it?

Tim Loughton: That is a very good point, and it will certainly be taken into consideration. I will pass those comments on to the Minister of State. We have to add such practical considerations to the mix as the proposals are rolled out.

For future years, we have said that we will consult on a review of the funding formula with a view to operating a young person's premium to support attainment by the most disadvantaged students. The coalition Government's determination to close the attainment gap between those from the wealthiest and poorest backgrounds lies at the heart of the radical reforms we are introducing to ensure that young people reach adulthood with the knowledge and aptitudes needed to lead rewarding and successful lives.

Bill Esterson: I am grateful to the Minister for giving way again. In quoting the principal of Hugh Baird college, I mentioned employability skills. The Minister has touched on the preparation of young people for leaving education. With youth unemployment hitting a million, that is a key challenge for the Government and for colleges. I urge him to ensure that, whatever changes are made, the issue of employability skills, which was covered under the entitlement fund, is taken on board. I accept his point about targeting learners from the most deprived backgrounds, but very often people are missed by such approaches. A wider group of young people is affected, as was the case with the withdrawal of EMA.

Tim Loughton: The hon. Gentleman makes a good point. Employability skills are an important complement to qualifications. In this increasingly competitive world, with the concerningly high levels of youth unemployment, we must ensure that every possible tool is available to young people to make themselves employable in the work force, for example in areas where we have requirements in the current highly competitive global trading environment.

Attainment at 16 is the strongest predictor of participation and achievement beyond that age. That is why we set out a clear programme of reform in the schools White Paper that is intended to raise standards so that by age 16, all young people have the basics they need to go on to further education and training. We know that young people from disadvantaged backgrounds are least likely to participate post-16, as Members have said. That is why we are focusing additional support on them, to ensure that they make the progress needed to go on to further learning. The pupil premium will target extra funding to the most deprived pupils, to better ensure that they reach the critical transition at age 16 with the knowledge, aptitude and attitude to go on to even higher success.

The hon. Member for Scunthorpe asked me a couple of specific questions, one of which was on when the allocations will be made. Individual institutions will get the details of their allocations by the end of March. If we can make it sooner, we will, to address the issue of clarity, which he rightly mentioned. He asked whether we would look again at the disruptive impact there can be on different groups of post-16 students, and I shall pass on his comments. He also asked whether I would meet him and a delegation to discuss these matters. I am absolutely delighted, on behalf of the Minister of State, to offer him that very meeting with the person most appropriate to take on board his views and appreciate the comments that he will make. I will ensure that my hon. Friend's office gets in touch with him very soon.

We are committed to full participation for 16 and 17-year-olds, but because of the financial constraints in which we find ourselves, we have had to make difficult decisions to deliver on the priorities. We might not have made some of those decisions had the financial position been better, and they have not been easy, but they have been made with the principles that I have set out in mind—focusing support on the most disadvantaged, addressing the attainment gap and giving greater autonomy, control and freedom back to people who run institutions at the sharp end.

Sheila Gilmore (Edinburgh East) (Lab): I am in some ways an observer in the debate, and I have been listening with great care. It seems to me that there is a risk that in concentrating on the most deprived, we will take away from the next group up. Many of the additional features in the education system are important if we want to see more young people equipped to go to university, as I think the Government do. People from that next group up will be missing the skills and so on that those from private schools have, so is it really better to help the

deprived at the cost of another group of people who also need help if we are to close the gap to university entrance?

Tim Loughton: I think the hon. Lady appreciates that one cannot get a quart out of a pint pot, and that is the dilemma in which we find ourselves. For too many years, the biggest scandal in educational achievement at all levels has been that the most disadvantaged, measured as those who have free school meals, have seen the achievement gap widen. They have not had the opportunity to compete on a level playing field and achieve aspirations that many people take for granted. That is not fair, it is not sustainable and it will not be tolerated under this Government.

That is why it is morally right, and the most practical way forward, to ensure that we target as much help as possible on particularly disadvantaged students at all levels. That will mean that everybody else has to share some pain, and ideally that would not have to happen. However, if it is a question of priorities, I want disadvantaged students to get the extra leg-up and extra support that, too often, they cannot provide for themselves. The Government, the Department and the House have a duty of care to ensure that that extra help is available.

The Government have shown that they have the mettle to make the difficult decisions. These are going to be turbulent times, but the Government also have the nous to shift funding from lower-priority areas to where it is genuinely needed. I thank the hon. Member for Scunthorpe for bringing the debate before us this evening and for making his comments in a measured and well-informed, albeit anoraky way. This is a matter of great concern to him and all hon. Members, whether they have further education sixth forms in their constituencies or constituents who use neighbouring ones. We will endeavour to monitor the impact of the changes, particularly on the most disadvantaged, and ensure that we get the best bang for our buck and make the very best impact on those who need it most.

Question put and agreed to.

10.25 pm

House adjourned.

House of Commons

Wednesday 2 February 2011

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Great Western Main Line

1. **Huw Irranca-Davies** (Ogmore) (Lab): What recent discussions she has had with the Secretary of State for Transport on the electrification of the great western main line. [36719]

6. **Mrs Siân C. James** (Swansea East) (Lab): What recent discussions she has had with the Secretary of State for Transport on the electrification of the great western main line. [36724]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have many discussions about this matter, and I remain fully supportive of electrifying the great western main line.

Huw Irranca-Davies: I thank the Secretary of State for that update. I never thought that I would say this, but I agreed with the Chancellor when he said last week that high-speed rail

"will provide for the next generation."

This generation of businessmen and commuters from south Wales are looking forward to a fully electrified higher-speed rail all the way to Swansea. Will the right hon. Lady do everything in her power to ensure that we have that as soon as possible?

Mrs Gillan: I hear the hon. Gentleman, and I am pleased to agree with him that good infrastructure will be of great benefit to our economy in Wales. However, I should remind him that his party had 13 years to electrify the great western line to Swansea, yet failed to electrify a single inch.

Mrs James: I am sure that the Minister is aware that electrification of the south Wales main line to Swansea is vital, especially for the economy of the city, but also for the economies of west Wales. The recent Centre for Cities report forecast that Swansea would face severe challenges during the recovery period. Given that news, does she agree that rail electrification to Swansea is even more vital to local businesses and citizens in the region?

Mrs Gillan: I am happy to say that I have had sight of that report. I continuously worry about how we will build up our economy in Wales and restore our fortunes. Like her hon. Friend the Member for Ogmore (Huw Irranca-Davies), the hon. Lady is absolutely right to say that infrastructure is important, whether it be railway or roads infrastructure, or broadband. I would encourage her to make her representations directly on this matter. I hope that she has written to my right hon. Friend the Secretary of State for Transport and also to my office.

Jonathan Evans (Cardiff North) (Con): My right hon. Friend is right to draw attention to the abysmal record of the outgoing Labour Government, but let me make it clear that we on the Government Benches are arguing just as passionately for electrification right through to Swansea, to see the Welsh economy rebalanced from the public sector and private sector jobs coming through. We cannot have money spent on high-speed rail without electrification in Wales.

Mrs Gillan: My hon. Friend knows that we plan to invest £14 billion over the next four years to fund maintenance and investment in our railways. Whatever we end up with when an announcement is made, he can rest assured that we have left no stone unturned in making the case for electrification into Wales.

Roger Williams (Brecon and Radnorshire) (LD): Electrification will take many years to complete, so will the Secretary of State consult the franchisee to see whether we can have direct routes from London Paddington to Bristol, Newport and Cardiff, thereby reducing the journey time to that achieved 20 years ago?

Mrs Gillan: My hon. Friend is right. I have already met First Great Western on that very subject, and I will continue to hold meetings. We appreciate that we are talking about a crucial project but, as my hon. Friend knows, the last Government had 13 years, and all they came up with was a cheap promise and no funding to back it up.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Will the Secretary of State please confirm that it is entirely Westminster's responsibility to maintain and develop the south Wales line?

Mrs Gillan: I am sure I do not have to tell the hon. Gentleman what is devolved and what is not. He knows that the electrification of the main line is Westminster's responsibility. However, let me remind him that there are also important improvements that could be made to the diversionary lines and the Cardiff valleys network. That is the responsibility of the devolved Administration, yet we have not seen any progress on that front.

Mr Llwyd: Is the right hon. Lady aware that the cost-benefit analysis for electrification of the south Wales line is far better than that for Crossrail? However, whereas Crossrail, at £16 billion, is going apace, nothing has happened for the past nine months on this vital issue for the south Wales line.

Mrs Gillan: I remind the hon. Gentleman that plenty has happened in regard to this vital issue, but this is not a decision that can be taken overnight. The previous

Government were very happy to make uncosted promises about this routing, but this is not a simple process. A range of factors must be thoroughly considered and, to that end, the Wales Office has been working not only with the Department for Transport but with the Welsh Assembly Government, and I remain optimistic about a good outcome.

Mr Peter Hain (Neath) (Lab): Does the Secretary of State have any meetings on rail electrification scheduled for 1 April?

Mrs Gillan: I am sure that if the right hon. Gentleman wants details of my diary, he can ring the office.

Mr Hain: As it happens, I have details of the right hon. Lady's diary here. Instead of progressing rail and other Wales matters, the entire Wales Office ministerial team—the Secretary of State and the Under-Secretary, the hon. Member for Clwyd West (Mr Jones)—will be at a Conservative party fundraising event in Chesham and Amersham. This is no April fool's day story: I have the invitation here.

On the decision to electrify rail, the former Transport Secretary, Lord Adonis, said:

"The business case for electrification to Swansea is strong. All the technical issues, for example, electrifying the Severn tunnel, were resolved."

If he says that the business case is strong, why the delay?

Mrs Gillan: I am ashamed that the shadow Secretary of State for Wales has wasted his two questions and resorted to trivia. Unlike him, I take this matter very seriously. The letter that I received from his wife actually made more sense than his questions at the Dispatch Box today.

Inward Investment

2. **Andrew Griffiths** (Burton) (Con): What discussions she has had with the Welsh Assembly Government and other stakeholders on steps to attract inward investment into Wales. [36720]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have had various discussions with the First Minister and the Deputy First Minister on attracting inward investment to Wales. I have also discussed the matter with ministerial colleagues, including the Secretary of State for Business, Innovation and Skills and the Government's trade adviser, my right hon. Friend Lord Brittan. This afternoon, I shall facilitate a meeting between the First Minister, the Deputy First Minister and my hon. Friend Lord Green, the Trade Minister, on the same issue.

Andrew Griffiths: The Secretary of State will know that Wales is heavily reliant on a small number of very large companies: 1.8% of the companies in Wales account for 69% of turnover, and the number of new businesses established between 2004 and 2009 fell by 28%. What meetings is she having with the Welsh Assembly Government on support for small and medium-sized enterprises in Wales?

Mrs Gillan: My hon. Friend is quite right about the figures on the private sector in Wales. Indeed, the shadow Secretary of State has often said that he thought the private sector in Wales was too small, but he failed to address that issue while he was in government. I have continual meetings with the Welsh Assembly Government on these matters, and we are particularly committed to encouraging business confidence through the measures that we are taking for small businesses and others. I know, from meeting businesses in Wales, that the cancellation of the job tax proposed by Labour went down particularly well with the business community.

Dr Hywel Francis (Aberavon) (Lab): Higher education plays a big role in attracting high-quality inward investment to Wales. Will the Secretary of State therefore join me in welcoming the decision of the Labour-led Welsh Assembly Government to announce a large investment in Swansea university's new science and innovation campus, which will be located in my constituency? Will she also outline what she intends to do to support such initiatives across the whole of Wales?

Mrs Gillan: The hon. Gentleman is absolutely right. I have had the privilege of going down to Swansea and looking at the Institute of Life Science buildings, ILS1 and ILS2, and I welcome that investment. As he knows, this is a devolved matter, and the levers of power and the decisions about money rest with the Welsh Assembly Government. That is why I was so sad to see the closure, by the Labour Welsh Assembly Government, of some of the techniums across Wales. However, the hon. Gentleman can rest assured that I will continue to press this case, because I believe we have some of the best universities in the country providing the best research and support to businesses that are looking to invest in Wales.

Driving Standards Agency

3. **Jenny Willott** (Cardiff Central) (LD): What discussions she has had with the Secretary of State for Transport on the closure of the Driving Standards Agency office in Cardiff. [36721]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend the Secretary of State and I have regular discussions with my right hon. Friend the Secretary of State for Transport and his ministerial team on a range of issues, including the restructuring of the Driving Standards Agency. The possibility of job losses is a serious matter for all concerned, and the staff in Cardiff should not have had to find out about this matter as a result of the information being leaked to the media.

Jenny Willott: I have been contacted by a number of constituents who are losing their jobs as a result of the Driving Standards Agency office closure, and they have told me that they are being offered no support to help them to find new work. Will the Minister speak to colleagues in the Department for Transport, the Department for Work and Pensions and the Welsh Assembly Government to ensure that my constituents are given as much help and support as possible so that they can secure new work as soon as possible?

Mr Jones: It is a matter on which my right hon. Friend and I have already been in touch with the Department for Transport, and I understand that that Department

and the Driving Standards Agency are looking into possible redeployment options for those affected. Certainly the individuals concerned will need as much support as possible and I will work with ministerial colleagues to ensure that as much as can be done is done.

Hywel Williams (Arfon) (PC): What assessment have the Government made of the effect of job losses on the already unsatisfactory service that the DSA provides through the medium of Welsh?

Mr Jones: I understand that the proposed closure will have no impact on services through the medium of Welsh.

Comprehensive Spending Review

4. **Paul Flynn** (Newport West) (Lab): What recent estimate she has made of the number of public sector job losses in Wales attributable to the implementation of the outcomes of the comprehensive spending review. [36722]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): The Office for Budget Responsibility published figures last year on the expected public sector job losses. These are based on UK-wide macro-economic data, so no regional figures are available. We remain committed to working with ministerial colleagues and the Welsh Assembly Government to minimise the impact of the deficit reduction programme on the workers and families of Wales.

Paul Flynn: Will the Minister use the welcome additional two months to reflect on the proposed loss of jobs in the Newport passport office and to study the Centre for Cities report, which identifies Swansea and Newport as the two UK cities most vulnerable in the present economic situation and those that will have the greatest difficulty in recovering? Will he also study the impact of the proposed closures and come up with a proposal that does not unfairly punish south Wales?

Mr Jones: I am pleased that the hon. Gentleman welcomes the two-month extension of the consultation period. I can assure him that my right hon. Friend and I are working closely with the Department to ensure that the case for Newport is put forward. The Centre for Cities report makes worrying reading and it will be necessary for the Government to work closely with the Welsh Assembly Government to ensure that the people in this area have sufficient skills.

David T. C. Davies (Monmouth) (Con): Will the Minister join me in welcoming the decision to extend the consultation period and to undertake a full economic impact assessment? Does this not show that the Government are listening, despite the problems caused by the £1 trillion deficit and debt left by Opposition Members?

Mr Jones: Yes indeed, and I am glad that my hon. Friend welcomes the extension of the consultation period. I can assure him that my right hon. Friend the Secretary of State and I are working closely with the Department to see what can be done to mitigate the impact on the area.

Chris Ruane (Vale of Clwyd) (Lab): The Minister will be aware that nearly 50% of the workers in his constituency and mine work in the public sector. Thousands will be thrown on the dole by his party, so what consultations has he had with the Prime Minister and the Chancellor about providing additional ring-fenced funding for constituencies with large numbers of public sector workers?

Mr Jones: The hon. Gentleman should know that we liaise constantly with our ministerial colleagues, but he should recognise, as his right hon. Friend the shadow Secretary of State does, that the private sector is too small in Wales and the public sector too predominant. I was interested to see, by the way, that the hon. Gentleman has been appointed Parliamentary Private Secretary to the shadow Chancellor—no doubt deficit denial was part of the job description.

Alun Cairns (Vale of Glamorgan) (Con): Inward investment and private sector job creation will help to overcome the public sector job losses that we have inherited as a result of the state of the economy under the last Administration. Given that millions of pounds worth of deals were struck between the UK and China last month, does the Minister recognise and share my disappointment that whereas the Scottish First Minister has been to China four times in the last two years, the Welsh First Minister has not been there once?

Mr Jones: Yes, that is disappointing. China presents enormous opportunities for inward investment to Wales and to the UK as a whole, and these are matters on which my right hon. Friend the Secretary of State is liaising closely with the Department for Business, Innovation and Skills.

Owen Smith (Pontypridd) (Lab): As we have already heard and as the Secretary of State will know, hundreds of public sector jobs in Wales have already been lost on her watch. Is she aware that there will be further job losses at the Driver and Vehicle Licensing Agency when it closes its offices in Bangor and Cardiff? Will she tell us what she is doing to keep those precious jobs in Wales?

Mr Jones: The hon. Gentleman is clearly privy to information to which I am not privy, but in view of the leaked information that appears to fall into his hands so regularly, perhaps that is not surprising.

Aviation Industry

5. **Neil Carmichael** (Stroud) (Con): What recent assessment she has made of the role of the aviation sector in Wales. [36723]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have had regular discussions with ministerial colleagues on support for the aerospace industry in Wales. We have much in the sector of which to be proud. In recent weeks, both GE Aviation and Airbus have announced the creation of jobs owing to increased demand.

Neil Carmichael: Like Wales, my constituency has strong supply and service links with Airbus and other aviation sectors in the south-west. Does the Minister

agree that it is essential for us to have free trade in the world of aviation, and to fight protectionism wherever we see it so that we can protect jobs and provide high-value-added industries for our communities?

Mr Jones: My hon. Friend is entirely right. Airbus, which is an important employer in his constituency as well as in north Wales, has a great deal of which to be proud. Its recent announcement that it will offer permanent contracts to 770 agency workers in Broughton, who will build aircraft wings following the largest commercial order ever, is a great vote of confidence in the sector.

Ian Lucas (Wrexham) (Lab): Does the Minister agree that the development of the supply chain for Airbus through companies such as Magellan Aerospace and Tritech in my constituency is a vital part of the development of the aerospace sector in the United Kingdom? What are the Government doing to support that?

Mr Jones: The Government are doing a great deal. It is clear that the high-tech, high-value-added industries will be the powerhouse for the economy in the future, which is why my right hon. Friend the Secretary of State visited the Deeside area recently to see what is being done by companies such as Toyota. As my hon. Friend says, there are some extremely good high-value, high-tech companies in his constituency.

Apprentices

7. **Robert Halfon** (Harlow) (Con): What recent discussions she has had with the Secretary of State for Business, Innovation and Skills on the effects of her Department's policies on apprentices on the number of apprentices in Wales. [36725]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have regular discussions with Cabinet colleagues on a range of issues, including apprentices. The Government believe that apprenticeships are a key component of the development of work force skills and one of the best forms of work-based learning.

Robert Halfon: Will the Secretary of State give Welsh backing to my campaign—supported by the Minister for Further Education, Skills and Lifelong Learning, my hon. Friend the Member for South Holland and The Deepings (Mr Hayes), who is responsible for apprenticeships—for the establishment of a royal society of apprentices and an apprenticeship card to provide training, support and mentoring which would benefit apprentices in the whole United Kingdom, including Wales?

Mrs Gillan: This is the first time I have heard about such a scheme from my hon. Friend. Next week is apprenticeship week: between 7 and 11 February, efforts will be made to encourage more businesses to provide opportunities for apprentices in Wales. I should be delighted to meet my hon. Friend, and to give whatever support I can to that new organisation in order to confer greater status on what I consider to be a fantastic opportunity for many young people.

Albert Owen (Ynys Môn) (Lab): There is a general consensus across the House that we need more apprenticeships in Wales, including apprenticeships in such areas as green technology. Will the Secretary of State ask the Secretaries of State for Business, Innovation and Skills and for Energy and Climate Change to reconsider their ports policy, which allows the construction of wind farms throughout the United Kingdom? The Government have now changed the rules to give English ports precedence over Welsh ports. Will the Secretary of State ask them to reconsider, and to introduce joined-up thinking to attract inward investment and create apprenticeships?

Mrs Gillan: Despite the deficit, we remain committed to apprenticeships, as, I am sure, does the hon. Gentleman. We are spending £250 million a year in England, and the Welsh Assembly Government have received consequential funding.

I have looked into one of the issues pertaining to ports, namely the money provided by the Department of Energy and Climate Change for renewables. I understand that there has been a Barnettised consequential. However, I will double-check because I know how important the issue is, but I suggest to the hon. Gentleman that when matters are Barnettised, he should press the Welsh Assembly Government to spend the funds in that way.

Mr Speaker: Order. Far too many private conversations are taking place in the Chamber. I want to hear Stephen Mosley.

Inward Investment

8. **Stephen Mosley** (City of Chester) (Con): What discussions she has had with the Welsh Assembly Government and other stakeholders on steps to attract inward investment into north-east Wales. [36726]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have regular discussions with Welsh Assembly Government Ministers and other stakeholders on a range of issues affecting Wales, including attracting inward investment.

Stephen Mosley: North-east Wales and Chester share the single economic sub-region that straddles the Anglo-Welsh border, so inward investment in north-east Wales benefits Chester too. What action is the Secretary of State taking to ensure that local authorities and the new local enterprise partnerships in England, over the border, support much-needed inward investment in north-east Wales?

Mrs Gillan: My hon. Friend knows that I am very keen on inward investment. One of the things I did in the past two weeks was visit the Deeside hub to look, in particular, at the apprentice training taking place at Deeside college. The college has links to large cities such as Manchester and Liverpool, which are established clusters of high technology and innovative business. I am keen to work with the Welsh Assembly Government and other Departments of state to get institutions working together in the interests of the Welsh economy and attracting inward investment to Wales.

Mr Speaker: May I appeal to the Secretary of State to face the House so that we can all hear her?

Mr David Hanson (Delyn) (Lab): Will the Secretary of State make contact with Kerry Foods of Ireland, which proposes to transfer business out of north-east

Wales from Headland Foods Ltd in Flint, in my constituency, to Grimsby? Will she examine whether steps can be taken, even at this late stage, to retain those jobs in Wales? If they cannot be retained, will she ensure that she stands up for the work force and their redundancy terms and seeks alternative inward investment to help to replace those jobs?

Mrs Gillan: I am sad to hear from the right hon. Gentleman that someone is thinking of moving business out of his constituency and across the border. I hope that he has made representations to the Welsh Assembly Government—I would not want to cut across anything that they are doing, as they are responsible for economic development, but my door is always open to him. If he would like to write to me about this particular case and company, and the associated issues, I will make investigations to see how I can help. I think that that is the proper way of conducting business.

Economic Growth

9. **Greg Hands** (Chelsea and Fulham) (Con): What recent discussions she has had with ministerial colleagues on steps to assist economic growth in Wales. [36727]

The Secretary of State for Wales (Mrs Cheryl Gillan): In the past week, I have met my right hon. Friends the Secretary of State for Transport and the Home Secretary, and the Minister for Trade and Investment, Lord Green, to discuss a range of issues to assist economic growth in Wales.

Greg Hands: Given this year's corporation tax cuts, the new national insurance contributions holiday for small businesses and the cancellation of Labour's national insurance tax hike next month, does the Secretary of State agree that this Government are restoring Wales's good reputation as a destination for inward investment, which was so badly damaged by the previous Government?

Mrs Gillan: My hon. Friend knows that we will be working night and day to restore Wales's reputation as a good destination for inward investment. Indeed, my right hon. Friends have already started that work by reducing over-regulation on business, reducing the taxes on business, introducing national insurance holidays and rolling back the wicked jobs tax that would have affected business in Wales and all over the United Kingdom.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): In the light of last week's disastrous economic figures, where will the private sector jobs come from to replace the public sector jobs that the Government are intent on slashing?

Mrs Gillan: I think the hon. Gentleman should take a deep breath and not talk Wales down, but talk it up. I was particularly pleased to see this week's manufacturing figures, which reflect very well on the United Kingdom and are a great source of optimism. I hope he will join me in sending out the message that Wales is open for business and that businesses should look to us for their investment.

Groceries Code Adjudicator

10. **Mr Mark Williams** (Ceredigion) (LD): What discussions she has had with the Secretary of State for Business, Innovation and Skills on the likely effect on Wales of the establishment of a groceries code adjudicator. [36728]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have regular discussions with ministerial colleagues on a range of issues affecting Wales, including the food industry. We believe that it is important to ensure a fair deal throughout the food supply chain. The new body will help future investment and innovation by increasing confidence among suppliers and consumers.

Mr Williams: I know that the Minister met the Farmers Union of Wales last week. Did he detect the impatience that I detected in my discussions with the union about progress being slow on the development of a supermarket ombudsman? Such an ombudsman will gain support across the House. What progress has he made in his discussions and will he push the agenda further in his discussions with the Department for Environment, Food and Rural Affairs?

Mr Jones: My hon. Friend will be pleased to know, I am sure, that I will be visiting his constituency tomorrow, when I will discuss this very issue with the Farmers Union of Wales. He is absolutely right: the proposal has been well received in the industry. This was mooted as long ago as 2001 by the former Prime Minister, Tony Blair, but nothing came of it.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [37418] **Bob Russell** (Colchester) (LD): If he will list his official engagements for Wednesday 2 February.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to Private Martin Bell of the 2nd Battalion the Parachute Regiment, who died last week in Helmand province. He died a true hero, showing exceptional bravery and selflessness as he went to the aid of an injured colleague. It is clear from the tributes paid by those who served with him that he was a hugely respected and well-liked soldier. Our thoughts and deepest condolences should be with his family, friends and colleagues.

This morning I had meetings with ministerial colleagues and others and, in addition to my duties in the House, I shall have further such meetings later today.

Bob Russell: I thank the Prime Minister for those generous words about Private Bell, because his battalion is based at the Colchester garrison.

A characteristic of the British way of life is its charities and voluntary organisations. Does the Prime Minister share my concern that some local authorities and health trusts are using the perceived cuts as an excuse to make cuts, thus undermining voluntary organisations and charities with the big society concept?

The Prime Minister: I absolutely share the hon. Gentleman's concern and he is right to air it. In the case of the Department of Health, there are not cuts in the health budget, which is going up. It is very important that the Department does everything it can, as I know my right hon. Friend the Secretary of State is doing, to protect the very important voluntary organisations working in that Department. Yes, there are reductions in local government spending, as there would be, frankly, whoever was standing at the Dispatch Box now, but I urge local authorities to look first at their own costs. It is only when they can show that they are sharing chief executives and cutting out their own bureaucracies that they can show that they need to make reductions elsewhere. In some cases, they are not yet being convincing.

Edward Miliband (Doncaster North) (Lab): I join the Prime Minister in honouring the memory of Private Martin Bell from 2nd Battalion the Parachute Regiment. He showed enormous bravery and dedication, as the Prime Minister has said, and we send condolences to all his family and friends. Last weekend, I saw for myself the bravery and commitment of our troops in Afghanistan and all those involved in our wider effort there. Like everyone who visits, I came away with an overwhelming sense of admiration and humility and I pay tribute to everyone who is based in Afghanistan.

May I ask the Prime Minister about the unfolding situation in Egypt? Will he update the House on the important issue of the security of British nationals, and inform us of the arrangements being made for those who want to return to the UK?

The Prime Minister: I thank the right hon. Gentleman for his generous tribute to our troops and for his visit to Afghanistan. It is very important that we go ahead in this difficult endeavour on a cross-party basis, and I praise him for what he has said.

On Egypt, of course he is right: the first concern should be for our UK nationals and the situation they are in. There are about 30,000 UK nationals in the Red sea area, which at the moment remains calm and stable. We have not yet changed travel advice about that part of Egypt. In terms of the rest of Egypt, there are about 3,000 UK citizens in Cairo and about 300 in Alexandria. In terms of making sure that those who want to return can, and we have urged many to do so, there are still very good commercial flights and we have added a flight commissioned by the British Government. In the past 48 hours, 1,000 UK citizens have returned.

The UK Government have acted swiftly. We had a rapid deployment of 25 special consular staff to Cairo and the military logistics team of eight was sent out immediately. We were the first country to set up a team at Cairo airport, and many other countries have gone on to imitate that. I do not take any of this for granted—there should be absolutely no complacency—but I think our ambassador, Dominic Asquith, and his team have done an excellent job and we should praise them.

Edward Miliband: I am grateful to the Prime Minister for that reply. Let me now ask him about the wider issues on Egypt. I think everybody has been moved by the images we have seen on our screens in the past few days of hundreds of thousands of people, against overwhelming odds, demanding a more democratic future. Following President Mubarak's statement last night, may I ask the Prime Minister whether he agrees with President Obama that the stable and orderly transition to democracy must be meaningful, peaceful and begin now?

The Prime Minister: We absolutely take that view. The transition needs to be rapid and credible, and it needs to start now. As the right hon. Gentleman says, we should be clear: we stand with those in this country who want freedom, democracy and rights the world over. That should always be our view. We cannot watch the scenes in Cairo without finding it incredibly moving—people wanting to have those aspirations in Egypt, as we have them in our country.

The Government take a very strong view that political reform is what is required, not repression. We have made that clear in all the calls I have made, including to President Mubarak and, yesterday, the Egyptian Prime Minister. As the right hon. Gentleman says, the key question is, have they done enough? President Mubarak says he is going, and we respect that, but what matters is not just the orderly transition, but that it is urgent, credible and starts now. The more they can do with a timetable to convince people that it is true, the more I think the country can settle down to a stable and more democratic future.

Edward Miliband: I think the whole House will be pleased by the Prime Minister's answer and share the view he has expressed. Is it not also clear that, far from indicating support for extremism, the people on the streets of Egypt are demanding some very basic things—jobs, freedom of speech and the right to choose by whom they are governed? We have a clear interest in stability in all countries in the region, but is it not now apparent that the best route to stability in Egypt is precisely through democracy?

The Prime Minister: I agree with that. I think that we should take the view that the long-term interests of Britain lie in a stable middle east and a stable Arab world. We will not get that stability unless they make moves towards greater democracy.

Where I think we need to be clear is that when we talk about greater democracy, we do not just mean the act of holding an election; we mean the building blocks of democracy. I want to see a partnership for open societies where we encourage stronger civil society, stronger rights, stronger rule of law, a proper place for the army in society and a proper independent judiciary. It is those things—the building blocks—that I think can give us a stronger, more stable, more democratic future that will very much be in our interests, and theirs as well.

Edward Miliband: I am sure there is a consensus across the House on the points that the Prime Minister makes, and I know he will keep the House updated on the situation in Egypt. I want to turn now to Afghanistan. We support the mission and the timetable he has set for the end of combat operations by British troops. During my visit, the commanders on the ground told me that we are bringing real pressure to bear on the insurgency. Will he provide the House with his latest assessment of the overall progress of our mission in the light of the timetable that has been set?

The Prime Minister: I am grateful for that. We are making progress in Helmand, but it is important not to focus just on Helmand; we have to look at the rest of Afghanistan too. If we look at where we are responsible for—Helmand itself—we see that Government authority has gone from six provinces to 12. That is where the Afghan Government have control, out of a total of 14. That is progress. Crucially, the increase in the Afghan national army is on target for 171,000 soldiers by the end of this year and 134,000 police.

I think the key is the better balance of forces we now have. There has been a surge in the number of troops and we have a better balance between the US and the UK forces, so we are more thickly concentrated in fewer areas and better able to do the job. We have set this clear timetable, saying we do not want UK forces to be in combat or in large numbers by 2015. I believe that is achievable, but we are going to have to work hard on training the Afghan national army and pursuing a political track to reintegrate those who have been involved in insurgency, and we also need to ensure that the government of Afghanistan improves in the way that I know the right hon. Gentleman believes, too, is important.

Edward Miliband: It is that point about the political track that I want to pursue with the Prime Minister. Does he agree that setting a timetable makes it even more important that we have a lasting political settlement, and one that endures beyond the departure of British troops? Does he further agree that an inclusive political settlement must reach out to those elements of the insurgency that are prepared to break all links with al-Qaeda, renounce violence and respect the Afghan constitution?

The Prime Minister: Those are the absolutely key conditions. To those who worry about a timetable, I would say that setting a timetable encourages people in Afghanistan themselves to recognise that they have to take the steps necessary to take control of their country again—so, yes, we do need this political track. We need to work much harder at it. The keys are separating the Taliban from al-Qaeda, rejecting violence and accepting the basic tenets of the Afghan constitution, and we need to push this extremely hard so that we can do what we all want to do, which is bring our brave soldiers home at the end of this conflict.

Edward Miliband: I sense that people are not used to this kind of Prime Minister's questions, but let me finally emphasise to the right hon. Gentleman the urgency of supporting the Afghan Government in establishing that political settlement. I will support him in all the efforts he makes on that with the United Nations, the United States and all our NATO partners. What concrete steps does he believe we can take between now and the Bonn conference at the end of the year to make that happen?

The Prime Minister: I am sure the right hon. Gentleman is right. From all the noises off, it is clear that people would prefer a bun fight, but sometimes it is sensible to have a serious conversation about the issues that we face. I know and he knows that when we visit our troops in Afghanistan they want us to discuss what they are doing—to discuss it sensibly and try to get it right. With reference to encouraging the political track, it is important that we engage not just with the Afghan Government, but with the Pakistan Government. It should be our aim to create an Afghanistan that is stable enough for us to take our troops home without it becoming a hotbed of terrorism. We will not be able to do that unless we engage with the Pakistanis. That is the key to solving the problem, and having a political track so that those who have been opposed to us recognise that there is a democratic path—a peaceful path—that they can follow, but they must give up violence and renounce al-Qaeda before that can happen.

Q2. [37419] **Simon Wright** (Norwich South) (LD): East Anglia celebrated in October the announcement that the Government had put aside the funding required to complete the dualling of the A11, and the support of the Prime Minister then was very much welcomed. Will he join me and our coalition colleagues across the region in pressing for an early start date for the scheme so that the economic benefits can be delivered as soon as possible?

The Prime Minister: All of us who visited Norwich at the time of the by-election remember how important the A11 is to people in Norwich. We have guaranteed the funding in the spending review. We are spending over £30 billion on transport infrastructure over the next four years. Work on the A11 is an important project. The Highways Agency is preparing a programme for how it will be delivered, and construction work will start in the current spending review period.

Q3. [37420] **Vernon Coaker** (Gedling) (Lab): Dylan Scothern is a six-year-old autistic boy in my constituency. At six years old, he has had his speech and language therapy support at his school taken away because he is too old. What does the Prime Minister think I should say to his mother, Rachel, who is outraged at the way in which the support for that autistic boy has been taken away?

The Prime Minister: I am sure the hon. Gentleman, like anyone in the House, will work as hard as he can to help that family to get the therapies that they need. What that means is going to the county council and arguing the case, as many of us have had to do not only with constituents, but with our own children. One has to make the fight. We intend to produce a paper on special educational needs that will try to reform the way such things are done and make it less confrontational. I know as a parent how incredibly tough it is sometimes to get what one's family needs.

Laura Sandys (South Thanet) (Con): I thank the Prime Minister and the Ministers who have been so helpful over the past 24 hours with regard to the Pfizer closure in my constituency in Sandwich. Will my right hon. Friend assure me and my hon. Friends from east Kent that the Government will do everything they can to secure the site, the highly skilled employees and the local economy in east Kent?

The Prime Minister: My hon. Friend is right to speak out about that depressing news. Pfizer's decision is bad news. My office has been in contact with the company and I spoke to the company again this morning. There

is no doubt that the decision is being taken not because of some UK-based issue, but because the company has decided to exit some whole areas of endeavour, such as allergies and respiratory diseases. The company is keeping all the options open for what should happen to the site, including getting partner organisations to continue work there and getting other companies to come in, because it is a state of the art site and it has brilliant employees doing great work there. The Government will do everything they can, co-ordinated by my right hon. Friend the Minister for Universities and Science and the head of the Office for Life Sciences, to try and make sure that we make the best of a depressing piece of news.

Q4. [37421] **Ian Mearns** (Gateshead) (Lab): Can the Prime Minister confirm a report in today's *Financial Times* that the Deputy Prime Minister has written to him suggesting that councils should be given the power to raise their own fuel duty, and does he agree with him?

The Prime Minister: The Deputy Prime Minister and I write to each other and speak to each other on a frequent basis. I will put it like this: what we both want to see is well-resourced local councils that have greater powers, greater devolution and less top-down bureaucracy than we had under the Labour party.

Q5. [37422] **Nadine Dorries** (Mid Bedfordshire) (Con): This Friday, hundreds of Mid Bedfordshire residents, 24 parish councils, the Marston Morteyne Action Group and I will provide a very warm welcome to the visiting members of the Infrastructure Planning Commission who will be coming to decide whether to grant planning permission for the huge incinerator that Covanta wishes to put in my constituency. If we are truly the party of localism, will the Prime Minister give his assurance that the draft national policy statements that will guide the IPC in its decision will be amended so that the weight is given to the wishes of local people? If they do not want it, it should not be imposed on them.

The Prime Minister: I thank my hon. Friend for her question. We can actually go a bit further than that: I can confirm in her own case that, yes, the IPC will be taking representations from local people, but of course as a Government we have committed to abolish the IPC, because we think that it is too much of a top-down, bureaucratic method and that there should be ministerial decisions that can take into account local opinion and be more democratically run.

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Does the Prime Minister share my dismay at the fact that, despite being 86% publicly owned, the Royal Bank of Scotland is still dishing out huge bonuses? May I suggest to him one course of action that might be helpful? Will he agree with me that those bankers who defy Government and continue to make these grotesque bonuses should never be considered for any honours in future?

The Prime Minister: First of all, I congratulate the right hon. Gentleman on his new position—*[Laughter.]* That has probably ended his career, so I am sorry for that. We are in discussions with RBS about this issue. We are bound by a contract that was signed by the previous Government, but I am absolutely clear that what we want to see from the banks is a lower bonus pool and more lending, and we want to see them contributing more in tax to the Exchequer. I am quite convinced that we will see all of those things from the discussions that we are having.

Q6. [37424] **Daniel Kawczynski** (Shrewsbury and Atcham) (Con): The local NHS trust in Shropshire is proposing major reconfiguration changes to services throughout the county, including maternity and paediatric services. Those are causing significant concerns for local Shrewsbury doctors, GPs and patient groups. Can the Prime Minister give an assurance that those concerns will be taken on board and acted upon before any changes are made? My hon. Friend the Member for Montgomeryshire (Glyn Davies), whose constituents also use the Royal Shrewsbury hospital, shares my views.

The Prime Minister: I can certainly given that assurance, because my right hon. Friend the Health Secretary has put in place much stronger arrangements for making sure that local people are listened to when these discussions are taking place. No changes will be allowed unless they focus on improving patient outcomes, unless they consider patient choice and unless they have the support of the GP commissioners, and remember that in the future health system it will be the decisions of GPs and people that will drive the provision of health services, not top-down decisions made by Ministers in Whitehall.

Q7. [37425] **Mr Ronnie Campbell** (Blyth Valley) (Lab): With wage freezes, pension cuts, legal aid cuts, tens of thousands of public workers sacked and the disabled and poor hit, how can the Prime Minister justify the build up of a £50 billion election war chest at the expense of these vulnerable, hard-working people?

The Prime Minister: All of the things that the hon. Gentleman says about the tough decisions we have had to make about pay, about pensions and about welfare, they are all, each and every one, the consequence of the Government that he spent 13 years supporting.

Q8. [37426] **Kris Hopkins** (Keighley) (Con): This week, I met a gathering of ESOL—English for speakers of other languages—students at the Keighley campus of Leeds City college. Sadly, too many children in Keighley start school unable to speak English. Does the Prime Minister agree that there is a responsibility and obligation on parents to make sure that their children speak English?

The Prime Minister: I completely agree, and the fact is that in too many cases that is not happening. The previous Government did make some progress on making sure people learned English when they came to our country; I think we need to go further. If we look at the number of people who are brought over as husbands and wives, particularly from the Indian sub-continent, we see that we should be putting in place, and we will be putting in place, tougher rules to make sure that they do learn English, so that when they come, if they come, they can be more integrated into our country.

Ann Clwyd (Cynon Valley) (Lab): There are 51 disabled workers at the Remploy factory in Aberdare in my constituency, and they have all been offered voluntary

redundancy. They take pride in the product they make. Two years ago, the current Deputy Prime Minister pledged his support to the Remploy workers. What will the Prime Minister do?

The Prime Minister: My understanding is that we inherited a plan that was actually phasing out support for the Remploy workers. That is actually what we inherited. [HON. MEMBERS: "No."] I will get back to the right hon. Lady if that is not correct, but we will do everything we can to try to support and help into work people who are disabled. That is exactly what the new benefits system and the new Work programme will be all about.

Q9. [37427] **Tony Baldry** (Banbury) (Con): Would my right hon. Friend describe the biggest structural deficit in the G7 as a golden economic inheritance?

The Prime Minister: I certainly would not, and my hon. Friend makes an extremely good point, which is that at the weekend the shadow Chancellor stated boldly that there was no structural deficit when Labour left office, even though—

Ed Balls (Morley and Outwood) (Lab/Co-op) *indicated assent.*

The Prime Minister: He nods now, even though the Institute for Fiscal Studies could not be clearer that we had one of the biggest structural deficits of anywhere in the advanced world. I have to say, if you start in opposition from a position of complete deficit denial, you will never be taken seriously again.

Q10. [37428] **Stephen Timms** (East Ham) (Lab): With youth unemployment at its highest level since records began, will the Prime Minister reconsider the decision to scrap the future jobs fund?

The Prime Minister: First, may I say how good it is to see the right hon. Gentleman back, well and in his place? As I said last week, youth unemployment is a problem that got worse during the boom years under the previous Government, then got even worse during the recession and is still, yes, a very big problem. I do not believe the future jobs fund is the answer, because it was five times more expensive than other schemes, and in some places such as Birmingham only 3% of the jobs were in the private sector. It was not a good scheme, and it is going to be replaced with better schemes, but everyone in this House needs to work together on how we tackle youth unemployment—a scourge that has got worse over the past 13 years.

Zac Goldsmith (Richmond Park) (Con): Will the Prime Minister commit to making continued support for the common fisheries policy absolutely conditional on an end to the appalling phenomenon of fish discards?

The Prime Minister: My hon. Friend will speak for many in this House when he says that the current regime of discarding perfectly healthy fish is not acceptable and needs to change, and now we are in government we have an opportunity to try to work to that end.

Q11. [37429] **Dr William McCrea** (South Antrim) (DUP): Prime Minister, before the election you came to the Province, entered into a contract with the people of Northern Ireland and promised to bring change to "our economy". In your speech about the contract, you told the people to

"read it, keep it, stick it to your fridge, use it to hold us to account".

Ten months later, we have lost £4 billion from our capital budget, and there is rising unemployment. Can you update the House on any progress to reduce radically Northern Ireland's level of corporation tax, bearing in mind that we are in competition with the Irish Republic, which this country bailed out recently?

The Prime Minister: I remember the visit that the hon. Gentleman mentions, and one of the things we said was that we would sort out the Presbyterian Mutual Society, and I am proud to say that we have done that and delivered that important pledge to people in Northern Ireland. Everyone in Northern Ireland knows that we have got to rebalance the economy: the public sector is too big, the private sector is too small. My right hon. Friend the Northern Ireland Secretary is looking at all the potential of things such as enterprise zones and different tax rates to try to help to bring that about. That is exactly what we are committed to.

Q12. [37430] **Guy Opperman** (Hexham) (Con): During my recent visit to Ponteland high school, pupils told me that apprenticeships were their No. 1 priority. With strong ongoing local schemes already operating in the area at Egger and SCA, will the Prime Minister back the skills for work campaign to encourage more youngsters in the north-east to take up the apprenticeships that are there?

The Prime Minister: My hon. Friend is absolutely right to raise this. We have made some difficult decisions in this spending round, but we have increased the funding for apprenticeships so that we will be funding 75,000 more apprenticeships than what was planned under Labour. We think this is absolutely vital not just to help young people into work for the short term but to make sure they can have good and worthwhile careers in our rebalanced economy.

Huw Irranca-Davies (Ogmore) (Lab): Airborne Systems in my constituency is a brilliant little world-leading company that makes parachutes for the UK, but also the international market. However, it is in danger of being stuffed in a tender competition, which will cost 50 jobs that will go to a French company. My local company's products are cheaper and better, and there is an opportunity for the Prime Minister to intervene and allow it, at its own cost, to put them into trial for the UK MOD. That will lead to exports as well.

The Prime Minister: The hon. Gentleman makes a passionate plea for a business in his constituency, and he is absolutely right to do that. I am sure that the Ministry of Defence will hear what he says. Of course, I want every opportunity for British defence manufacturers to compete and succeed, and we are doing everything we can to help them. We have just been talking about apprenticeships. We are also delivering the lowest rate of corporation tax in the G7. All these things will help us to compete with, take on and beat our competitors.

Q13. [37431] **John Glen** (Salisbury) (Con): Following the report in December by the right hon. Member for Birkenhead (Mr Field) about how to prevent poor children from becoming poor adults, what actions does the Prime Minister intend to take to address the central recommendation of the report—that greater prominence should be given in public policy to the earliest years?

The Prime Minister: My hon. Friend is quite right. It is good that the right hon. Member for Birkenhead (Mr Field) has produced this excellent report about how we try to help children out of poverty. The two most important steps we are taking are funding two-year-olds in nursery education—a pledge never made and never delivered by Labour—and a pupil premium for all children who are on free school meals so that the money follows them into school. Labour Members shake their heads. They had 13 years to do it; they never did.

Thomas Docherty (Dunfermline and West Fife) (Lab): There were 4,000 stillbirths in the United Kingdom last year, and obviously the pain for those families is utterly unimaginable. Will the Prime Minister give a guarantee that there will be no cut in the funding of research into the causes of stillbirths?

The Prime Minister: What I can tell the hon. Gentleman is that there is no cut in the national health service. We are putting £10.6 billion extra into the national health service during this Parliament, against the advice of many, including his own Front Benchers. I will get back to him on the specific research that he speaks about. Every hon. Member will have met constituents who have been in this situation, and I know how heart-breaking it can be. Where we can get to understand more what the cause of stillbirth is, of course we should be doing that work.

Q14. [37432] **Jackie Doyle-Price** (Thurrock) (Con): Last month, Ockendon school in my constituency celebrated becoming an academy. Staff and governors at the school are delighted with the freedoms that becoming an academy has given them. Could my right hon. Friend give some words of encouragement to other schools in Thurrock that are considering taking this important step?

The Prime Minister: I would certainly encourage all schools to look at academy status because of the extra freedom and responsibility it gives them. The evidence is now clear that academy schools, particularly those in less well-off areas, have transformed the results in those places. In the past nine months, as a coalition Government, we have managed to create as many academy schools as the previous Government did in the past seven years. We are making good progress with this, but we should keep up the pressure.

Anas Sarwar (Glasgow Central) (Lab): A ComRes poll for ITV News found that 48% of the British people feel that the Government have lost control of the economy, and the Chancellor himself has admitted that he has no plan B. Given that this Government have axed the future jobs fund, trebled tuition fees and scrapped the education maintenance allowance, the question that people up and down the country are asking is whether this Prime Minister even has a plan A for our young people.

The Prime Minister: What is clear is that only one side in this House has a plan at all. The Opposition have absolutely no plan apart from to deny the deficit, to say there was not a problem, and to pretend that somehow they handed on a golden inheritance when in fact we had the biggest budget deficit of advanced countries and an absolute pile of debt to deal with.

Mr Oliver Heald (North East Hertfordshire) (Con): Given the commitment of the coalition Government to reinvigorate occupational pensions, will the Prime Minister welcome the launch yesterday by the National Association of Pension Funds of its workplace retirement income commission, which is designed to produce proposals to improve the adequacy of pensions so that people can live with dignity and with enough money in retirement?

The Prime Minister: My hon. Friend makes a very good point. We want to see strong private sector pension provision. The history of that provision over the past 13 years has been depressing, because so much money has been taken out of the pension system, not least by the pensions tax that happened year after year, and which was probably proposed by the two people who now run the Labour party. We want to see stronger private pension provision so that people can have independence and dignity in their old age.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Two hundred years ago, the privileged people in this country managed to steal the English common land from the English common people. Why are the Government returning to such activity by taking the forests and woods of our country from the ordinary people?

The Prime Minister: This Government are taking a completely different approach from the previous Government, who sold off forestry with no guarantees of access, no guarantees that it was free and no guarantees about habitat. I am, of course, listening to all the arguments that are being put on this matter. However, I ask whether there are organisations, such as the Woodland Trust and the National Trust, that could do a better job than the Forestry Commission. I believe that there are. Is there a problem with the Forestry Commission—*[Interruption.]*

Mr Speaker: Order. I apologise for interrupting the Prime Minister. The Prime Minister must not be shouted at. The question was heard and the answer must be heard.

The Prime Minister: I say to the hon. Member for Huddersfield (Mr Sheerman), is there not a problem when the Forestry Commission is responsible for regulating forestry and is a massive owner of forestry? We do not accept that with the Bank of England or other organisations. It is therefore worth considering whether we can produce a system that is better for access, better for habitat, better for Natural England and better for the countryside that we love.

Point of Order

12.32 pm

Emily Thornberry (Islington South and Finsbury) (Lab): On a point of order, Mr Speaker. You are well known for standing up for the right of the House to hear statements from the Government before they are heard on the "Today" programme. Unfortunately, it has happened again. It was announced this morning on the "Today" programme and to readers of *The Guardian* and *The Times*, that an additional £400 million will be spent on mental health. On the face of it, that is good news. However, although the Deputy Prime Minister and the Minister of State, Department of Health, the hon. Member for Sutton and Cheam (Paul Burstow) have time to tour television studios, they do not have time to make an oral statement to this House and to answer questions such as whether this is new money and how the money will be spent to get the results that we all want to see.

Mr Speaker: I am grateful to the hon. Lady for her point of order, and for notice of it. A written ministerial statement has been given today. I have not received notice of an oral statement. The House will be aware that the Procedure Committee today published a report on ministerial statements. Matters of policy must be communicated first to the House, but the precise means by which that is done is ordinarily left to the Government. Today, there is nothing that I can usefully add, but she has registered her concerns forcefully and they will have been heard by the Leader of the House.

Before the hon. Member for Manchester Central (Tony Lloyd) rises to propose his ten-minute rule motion, I appeal, as I should have done before the hon. Member for Islington South and Finsbury (Emily Thornberry) rose, for Members to leave the Chamber quickly and quietly, showing the same courtesy to the hon. Gentleman as they would want to be shown to them in similar circumstances.

High Pay Commission

Motion for leave to bring in a Bill (Standing Order No. 23)

12.34 pm

Tony Lloyd (Manchester Central) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for the establishment of a High Pay Commission; and for connected purposes.

The Bill would begin to do something credible about the problem of high pay for those at the very top of the earnings ladder in Britain, who are gorging themselves while the rest of the country is doing badly. I am delighted that the Secretary of State for Business, Innovation and Skills is in his place, because he was an advocate of a high pay commission in an earlier incarnation. I hope that he still shares that view this side of the general election.

The public are still furious about the Government's failure to deal with bankers' bonuses. Nothing makes people up and down this land so angry as the knowledge that before the election both coalition partners promised tough action on bankers' bonuses, but the Bob Diamonds of this world and their gilt-edged friends still operate seemingly with impunity. People contrast that with members of the Government who did not commit themselves to the austerity programme that is being brought in, but who are now presiding over a situation in which real wages will have dropped by 4% between 2009 and the end of this year, the Governor of the Bank of England is on record as warning of the biggest squeeze since the 1920s, and the Office for Budget Responsibility, the Government's own independent body, says that average pay for those on low and middle incomes will drop by £720 a year.

People in work are making big sacrifices, and of course those who will lose their jobs as a result of the Government's programme will lose out even more. When the Governor of the Bank of England says that that is the inevitable consequence of an economy that is rebalancing, we therefore have to say that we also need some rebalancing of the pay of those at the very top.

The top-paid are doing not just very well but very much better than they were not so long ago. There is very little evidence that very high pay makes a material difference to the success of business in our country. In fact, rather the opposite. The gross bonus culture has actually led to short-termism, not just in the banking industry but across British industry of all kinds. There is little evidence, too, that pay needs to be ratcheted up to such levels to retain the top managers. There is no brain drain of managers. British managers are actually better paid than those anywhere other than the United States, and there is no systematic evidence of our managers being poached and moving across the Atlantic. The arguments in favour of top pay are effectively spurious.

Top pay is driven by the bonus culture and by the capacity of remuneration committees—the old pals' act—to operate on the basis of "I'll scratch your pay packet as long as you'll scratch mine." That is wrong and unacceptable. If we look at the evidence on pay, we see that the bonus culture has grown massively in the years since 1997. That is not just in banking, because the Prime Minister is right that we should not scapegoat

[Tony Lloyd]

banking. We should examine the top pay across the whole of our society. In 1997, bonuses across the City were estimated at £1.5 billion, not a small sum. By 2006, that figure had grown to £8.8 billion. It dropped a little at the bottom of the financial crisis, to £3.6 billion in 2008, but it is believed that this year bonuses will be back up to £7 billion. The Government, frankly, have not dealt with the problem.

If we examine the pay of chief executives across British industry, we see that the average pay of chief executives in FTSE 100 companies was something in the order of 47 times that of the average worker in those companies in 2000. That difference had grown to 88 times in 2009, so it has doubled in real terms from already colossal levels. In fact, the average chief executive is now paid 200 times the minimum wage. In a society such as ours, fairness means that if the poor and those on squeezed middle incomes are playing their part in the Government's austerity programme, so should those at the very top. People on 200 times the minimum wage—not just the Bob Diamonds but those across all our industries—ought to begin to take their fair share of the strain.

A high pay commission—as I said, the Business Secretary is already on record as supporting the concept—could begin to do something positive about the problem. I hope that it can be charged with the following, among other things. First, we have to have transparency. We have to know what these people really are paid, not simply through their basic pay but through bonuses and the very high pension contributions that companies make on their behalf. That is simply a matter of social equity. Stakeholders, not just shareholders—employees, customers and wider society—are entitled to know what is going on. The high pay commission should therefore establish mechanisms for making transparent the whole question of high pay.

Inevitably, the high pay commission ought also to deal with the regulation of bonus payments, and to set down a framework by which bonus payments can be paid. It could set limits and time frames within which bonuses can be achieved. Of course, it could also make recommendations about the taxation of bonuses, which is an important part of bringing the bonus culture into some form of realism.

The commission should look at the role of remuneration committees—the old pals' act that I have described, when one person looks after his friend's pay, with the inevitable result that pay is ratcheted ever upwards. Remuneration committees ought to be opened up to the wider world. For example, employee representatives, whether trade union officials or others, and perhaps representatives of society more widely, should be on them, so that there is some reality in how pay is fixed for top earners.

The commission should be charged, every year, with making a report on tax avoidance. We know that tax avoidance among top earners amounts at least to an astonishing £13 billion a year. I must tell Ministers that recouping that £13 billion would make a serious contribution to the kind of deficit reduction with which the Government are concerning themselves, and in particular that it would make a big, material difference to the cuts in our police forces and our social and health services. It is not unreasonable that those at the top, who after all have the biggest shoulders, take the weight and make a proper contribution by way of taxation.

The thing that many people would most like the commission to look at is pay ratios. The Prime Minister asked Will Hutton to look at pay ratios in the public sector, and recommended a guarantee that the top earners earn no more than 20 times those at the bottom. That is a good starting point, but there is absolutely no reason why the principle for the public sector should not also apply to the private sector. That 20:1 ratio might be a good starting point for the high pay commission. The Government could ask the commission to make recommendations and to begin the process of a proper national debate. People are now being paid 200 times the national minimum wage—200 times what the lowest paid people in our society are legally paid, even if we ignore those who are paid less than that.

Fairness, social cohesion, simple common justice and the natural decency of the British public say that we must now do something about high pay. The rich and the better off in our society are gorging themselves when the rest of society is being asked to make restraint a way of life. It is about time that those who can afford to make that contribution are asked to do so.

Question put and agreed to.

Ordered,

That Tony Lloyd, Mr Dennis Skinner, Kate Green, Ian Mearns, Jim Sheridan, Frank Dobson, Mr David Anderson, Mr David Crausby and Martin Caton present the Bill.

Tony Lloyd accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 18 March, and to be printed (Bill 141).

Opposition Day

[10TH ALLOTTED DAY]

Department for Business, Innovation and Skills (Performance)

Mr Speaker: I advise the House that I have not selected the amendment on the Order Paper.

12.44 pm

Mr John Denham (Southampton, Itchen) (Lab): I beg to move,

That this House notes that the Business Secretary in June 2010 called the Department for Business, Innovation and Skills (BIS) the department of growth; believes that the overriding priority is growth and jobs; expresses deep concern that after nine months BIS has failed to deliver this promise on growth, that the Growth White Paper is still not published, that the dismantling of regional development agencies is 'chaotic', that local enterprise partnerships lack powers and resources, and that regional development funding is slashed and grants for business investment abolished, causing oversubscription to the Regional Growth Fund; regrets the refusal of the Sheffield Forgemasters loan; notes with concern that responsibility for the digital economy has been transferred to another department without consultation with business or rationale, that there has been no progress in securing lending to small businesses, while bank taxes have been cut, and that BIS has failed to persuade departments not to change planning policies and public services which damage jobs and growth; further notes the sharp reductions in adult training, that there is no longer a 10-year science funding strategy, and that BIS is prioritising unfair and damaging reforms to universities instead of enabling them to support growth; notes the lack of strategy or leadership for key sectors vital to rebalancing the economy; shares the CBI Director General's concern that the Government has no plan for growth and that BIS is a 'talking shop'; and calls on the Government to take decisive action to remedy the deficiencies in that Department.

On 3 June last year, the Secretary of State for Business, Innovation and Skills said that he wanted his Department to be the Department for economic growth. At that time, growth was running at 1.2%. Britain was emerging from the deepest global recession for two generations. Nine months later, Britain's economy was shrinking—so much for the Department for growth. The Government blame the snow, but in the USA the snow struck too—and there last quarter growth was 0.8%. We must have had the wrong sort of snow—or perhaps the wrong sort of Government.

People are seeing prices rise, they are worried about their jobs and they wonder where jobs, growth and prosperity are meant to come from. The Business Department has failed to give the leadership on growth and jobs that this country needs. It has made the wrong choices, harming growth and business instead of supporting them. At a time when other Departments needed to be persuaded to put business first, the Business Department has lost the argument.

Julian Smith (Skipton and Ripon) (Con): I cannot believe that the shadow Secretary of State has started his speech without admitting the appalling inheritance that he gave this Government and without coming clean about the mess in which his party left this country and the debt and deficit that it left behind.

Mr Denham: The hon. Gentleman is wrong: the reason for the large deficit was the global banking crisis, which cut corporation tax receipts by £40 billion in a year. The measures that we took, which got us out of recession quickly and had the economy growing this time last year, were the right measures. There are no deficit-deniers—we are proposing the right measures for tackling the deficit. The point of this debate is that the Business Department has made wrong choice after wrong choice in responding to the economic situation.

The Government have been reckless in their approach to deficit reduction. They are making the wrong choices on growth. By cutting too far, too fast, the Government are putting economic recovery at risk. Shrinking growth and rising unemployment are not only bad news for families, but will make it more difficult to get the deficit down. The economy should be growing by now, not shrinking. Unemployment should be coming down by now, not going up. To make things worse, the Business Department has failed to produce any plan for growth and jobs.

Even with a more measured and responsible approach to deficit reduction, it would be private sector growth and jobs that Britain needs. That means creating the confidence for businesses to invest, to take on people and grow their business, with every aspect of public policy being bent to ensuring the right conditions for a strong, competitive and fair economy. But there is no plan for growth. As Sir Richard Lambert, the outgoing director general of the CBI, said last week about the Business Department, the country needs it to be

"Less of a talking shop, more of an action-oriented growth champion."

Mr Dave Watts (St Helens North) (Lab): Does my right hon. Friend agree that if the Government were serious about encouraging private sector investment, they would not have cut the grants to business that poured money into our areas? That money has now been sucked away. Is not that a demonstration of the Government's inability to encourage investment in our areas?

Mr Denham: My hon. Friend is absolutely right, and I shall address several such decisions that the Business Secretary has made.

Mel Stride (Central Devon) (Con): Will the right hon. Gentleman give way?

Mr Denham: Not at the moment.

It is not as though the Government were not warned about what was coming. When the Tory-led Government took over, recovery was strengthening and unemployment falling. Since then, every decision they have made has made things worse. They stopped the loan to Forgemasters, showing that they had no plan to ensure that British companies gained from a new nuclear programme. When the emergency Budget was introduced in June, the Office for Budget Responsibility said that growth would be slower and employment down as a direct result of the Government's measures. When they chose to make the biggest cuts in the most vulnerable communities, it was clear that the regions would need new growth and new jobs. When the Government published the comprehensive spending review in October, the Office for Budget Responsibility told them that growth would fall and

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unemployment would rise. Independent organisations from the Chartered Institute of Personnel and Development to PricewaterhouseCoopers and the Local Government Association warned that reckless cuts would destroy jobs in the public and private sectors, yet the Business Secretary did nothing.

We were promised a White Paper on growth in October. Then the civil servants said that there was not enough content to warrant one. Two months later, the Business Secretary was bundled aside and the Chancellor took charge, so now we are promised a Budget for growth on 23 March. This Tory-led Government will have been in office for 10 months and three weeks by then. That will be 321 wasted days of complacency, drift and inactivity. By the time any Budget measures are implemented, we will have had a wasted year that this country cannot afford.

Margot James (Stourbridge) (Con): The shadow Minister's accusations of inaction are not borne out by my area of the black country, which has already formed a local enterprise partnership and had it approved, and has submitted four bids to the regional growth fund, with a total of 12,000 jobs protected or created. Things are on their way in the black country, thanks to the policies of this Department.

Mr Denham: A year ago the black country had a functioning regional development agency. That agency has been destroyed. The hon. Lady is clutching at straws when she says that there may come a point when the Black Country LEP is fully functioning, but it will have no resources, no powers and no legal rights. That is not a step forward; it is a step backwards. That is typical of the damage that the Business Secretary and his Department have done to economic policy in the past year.

Mr Dennis Skinner (Bolsover) (Lab): A week last Friday, together with Bolsover district council, we went to the east midlands region to try to get money for a firm that was going to provide 50 jobs on an old ex-pit site in the Bolsover area. There were quite a lot of applications, but the people there said that they could not deal with them. The net result is that we were talking for hours, but their hands were tied. The region still had some money available, but this Government, through this Department and the Department for Environment, Food and Rural Affairs, were refusing to let them use it to provide the jobs to get the economy to grow. What a shower!

Mr Denham: My hon. Friend is absolutely right, and his experience will be typical of many hon. Members' experience, because this will have been a wasted year.

When the global banking crisis hit, the Labour Government did not sit by hoping that something would turn up. In the six months after that crisis hit, we cut VAT to boost growth; gave businesses time to pay the Revenue; speeded up payments to small businesses; introduced the scrappage scheme; started the enterprise finance guarantee; invested in key technologies and regionally important sectors; boosted investment in education and health; and reformed training support and expanded apprenticeships. In six months there was real energy and drive; from this Government and this Department there has been nothing in nearly nine months. Worse than that, the Business Secretary has made the wrong choices. Each has made life harder for businesses that wanted to invest to create jobs and grow. Instead of creating certainty and confidence, the Business Secretary has sown doubt and confusion.

Alok Sharma (Reading West) (Con): The right hon. Gentleman talks about a wasted year. Does he not acknowledge that he was part of a Government who wasted 13 years, increasing taxes on businesses, national insurance, regulation and the complexity of the tax system, and doing everything to stifle jobs and growth? Does he not agree that he should be congratulating this Government on reversing many of those excesses and thanking us for putting in place a policy that will lead to growth and jobs?

Mr Speaker: Order. May I gently point out to the House, first, that interventions should always be brief, and secondly, that there are time constraints? A lot of Members want to get in, so over-long interventions are not just ineffective; they are damaging to colleagues, whatever the intention, and that is of wide application.

Mr Denham: Thank you, Mr Speaker, and given what you have said, the House will understand if I do not take too many more interventions. However, I would simply point out that I was proud to be part of a Government who created 3 million jobs. After we had been in office, there were 1.1 million more small businesses than there were when we came into power.

Mel Stride: Will the right hon. Gentleman give way?

Mr Marcus Jones (Nuneaton) (Con): Will the right hon. Gentleman give way?

Mr Denham: No, I am afraid that I have tried a few interventions from the Government Benches, and they have not really added to the quality of the debate.

The Secretary of State himself described the abolition of regional development agencies as "chaotic" and "Maoist". In June he gave a perfectly sensible interview, saying that regions that wanted to keep their regional development agencies could. He was overruled. He lost. The Communities Secretary beat him. Now no part of England has a fully functioning local economic partnership or a fully functioning regional development agency. It is the last thing that business needed. The Secretary of State let the Communities Secretary tear up regional planning policies and put nothing in their place. Some 160,000 planning permissions for new homes have been lost to the building industry already. That is a blow to construction, which is already struggling and reeling from the cancellation of Building Schools for the Future. Businesses have no idea how planning applications for new developments will be treated in different parts of the country under the new policies. It is the last thing that business needs.

The Business Secretary has failed to ensure that the migration cap does not prevent growth. Just yesterday, Airbus UK told the Select Committee on Business, Innovation and Skills that it could not access tier 2 immigration visas and that the Home Office was not responding or answering telephone calls on the matter. The Business Secretary lost that argument. The Home Office's student visa policy threatens the income of

further education colleges and universities. The UK's seventh biggest export industry is now being put at risk because the Business Secretary has lost that battle too. Our universities are huge drivers of growth. This year above all years, the Business Secretary should have told every vice-chancellor to concentrate every effort on promoting growth and their business links in the regional, national and international economy. Instead, every university is preoccupied with working out how the shambolic, unfair and unnecessary new fees system is meant to work. That is a complete diversion from what business needed.

In September, the Business Secretary promised tough action on banks, arguing that there was a "compelling case" for taxing them if they continued to pay out bonuses when businesses cannot get access to finance. He has obviously lost that battle, too. Project Merlin has still not reported. Small businesses are still struggling to get finance. The Tory-led Government whom the Business Secretary supports are desperately casting around for face-saving measures while tax on the banks is being cut. Grants for business investment have stopped. Nissan says that those grants helped to safeguard or create 1,600 jobs in the north-east. Indeed, Nissan told the Business, Innovation and Skills Committee:

"The UK has a clear choice of whether it chooses to fight for new business, new jobs, and rebalance the economy or allow the opportunity of this business to go elsewhere."

We should all be concerned that the Business Secretary has made the wrong choice.

The funding for English regional development has been slashed from about £1.4 billion a year from the regional development agencies to the £1.4 billion in the regional growth fund over three years. That is funding for the whole of English business, which, to put it into perspective, is about the same amount that the Government are planning to spend on sub-post offices. Predictably, because the regional growth fund has been told to include bids for transport and housing, it has been over-subscribed tenfold. The Business Secretary is in a panic, because the future jobs fund has been scrapped and unemployment is rising. Businesses were promised that the fund would support sustainable private sector growth and help to rebalance the economy. Will he confirm that he has changed the rules at the last minute, discouraging bids that will not create short-term sticking-plaster jobs, and that plans to expand Birmingham airport and regenerate Longbridge, which were going to be put into the regional growth fund, have been put on hold, because it is said that they have no chance of succeeding? There are many projects with private sector commitment, which could lever in huge sums of private investment, that are not going ahead. They will not even be considered, because this Tory-led Government are not prepared to tax the banks fairly to invest in jobs and growth.

The broadband infrastructure is vital for business, but it has been delayed and delayed again. Labour had a costed commitment to achieving universal broadband by 2012 and high-speed broadband by 2015. The Government have put back universal broadband by three years, putting the UK in the broadband slow lane.

There is no coherent approach to the use of tax policy to support business growth. Corporation tax has been cut, rewarding the banks, while capital allowances for manufacturers have been slashed. There is total confusion about the future of research and development tax credits. At one moment, the Government rightly back Labour's patent box for the pharmaceutical industry; the next, Labour's support for the video games industry is dropped, causing a predicted loss of 25% of jobs in that sector. The Government trumpet an additional 75,000 apprenticeships over the next three years, yet Labour increased the number from a planned 200,000 to 279,000 in the last year alone. This Government are slowing the growth in apprenticeships, and their own figures show that, each year, 500,000 fewer adults will get public support to improve their skills.

The Government's record of failure in regional policy, higher education, bank lending and bankers' bonuses is lengthy. It is hard to identify a single pro-business, pro-growth policy that BIS has successfully championed against opposition from the Treasury, the Department for Communities and Local Government and other Departments. There is no strategy for growth, and no one knows where the Government expect it to come from, how they will support it or how it will be achieved.

Today, Sir James Dyson, the Conservatives' own innovation champion, has referred favourably to President Obama, who said:

"In America, innovation doesn't just change our lives. It's how we make a living."

Sir James commented:

"That might seem like political rhetoric to some people, but I wish this philosophy was shared by the British Government."

That is from the Government's own innovation champion.

Sir Richard Lambert has said that the Government have

"taken a series of policy initiatives for political reasons, apparently careless of the damage that they might do to business and to job creation."

We saw that happening just before Christmas. For no other reason than the Business Secretary's personal unsuitability to make a competition judgment, the Prime Minister transferred responsibility for an entire critical industry, the digital economy, to the Department for Culture, Media and Sport. There was no public policy reason for doing that. There was no consultation with business. The media and the creative industries have a great interest in the digital economy, but so do advanced manufacturing, the IT industry, the service sector and retail. The years that were spent bringing industrial sponsorship together within Whitehall so that business could work better with the Government were swept aside in the crudest possible act of media management, to save the Secretary of State's face.

The same is true when we look forward. For all the words about rebalancing our economy and supporting key sectors, there is no sign of that happening. Governments cannot create private sector growth, but they can create the conditions in which the private sector is most likely to grow. In the areas in which we hope to compete with the best in the world, such as advanced manufacturing, business services, the creative industries and the low-carbon economy, every part of Government policy, from fundamental research to export support, needs to be properly aligned and working together. This Government cling to a different view, however. They believe that if they simply cut the public sector and cut corporation tax, the private sector will rise up of its own accord to fill the gap. That will not work. Sure, the Government

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will make the odd eye-catching announcement to hit the headlines and make it look as though they are doing something, but, fundamentally, they do not believe in an active role for the Government.

Yesterday, Pfizer said that it was closing its plant at Sandwich, affecting 2,400 employees and many more in smaller companies. That is one of the industries in which Britain should be leading the world. We have a huge advantage in fundamental and applied research and the NHS has huge potential for properly regulated clinical trials, yet one of the world's leading manufacturers is closing a major plant here, in Kent. Only a few weeks ago, the Prime Minister told us how he had personally been on the phone to the leadership of Pfizer to encourage them to invest and employ people in the UK. The truth is that the Prime Minister has been snubbed. The Government and the Business Department were not players in that huge decision. Whatever the immediate reason for Pfizer's action, this warns us all that nothing can be taken for granted if this country is to remain strong in this global industry.

In the past year, the Business Department has done nothing apart from implementing Labour's patent box tax relief. Science spending has been cut in real terms, with capital investment down by 40%. The Government have not set out a clear vision of the future of the pharmaceutical and bioscience industries. They have not said how they will support them, or made it clear to the rest of the world that we will fight tooth and claw for the largest share of this global industry.

The same challenge is true for the other key sectors of the economy—the areas in which, if we do not succeed, we will not be able to pay our way in the world. The truth is that where there should be action, there is a talking shop. There is no plan, no strategy and no vision. There is no leadership and no urgency. The Government are drifting, and making the wrong choices. They are buffeted by events, but not in control of them. For all our sakes, it is time they got a grip.

1.6 pm

The Secretary of State for Business, Innovation and Skills (Vince Cable): I welcome this opportunity to have a serious debate on economic growth and jobs, but listening to the right hon. Member for Southampton, Itchen (Mr Denham) giving us a lecture on economic growth was a little like being offered a lesson on seamanship by someone who was on the bridge of a ship that, despite innumerable warnings, was driven at full speed into an iceberg. That was the experience of the British economy over the past few years.

I sat on the Opposition Benches for 12 years, and twice a year the then Chancellor of the Exchequer would come along and tell us that the British economy had achieved the most impressive growth performance since the days of the Hanoverians. One thing that the previous Government could never be criticised for was a lack of reports or plans. Members who were around at the time will remember the documents that we used to get twice a year, telling us how growth had been achieved and how neoclassical endogenous growth theory had been translated into reality. It all came to a shuddering halt, however, because of a combination of massive personal debt, a housing bubble, a structural deficit in the budget and an overweight banking system that collapsed.

If we want judgments on the experience, which we have now inherited and are trying to sort out—*[Interruption.]* I am not looking for political comment—*[Interruption.]* I will take interventions later. I do not know how many Opposition Members read the speech that the Governor of the Bank of England made last week. He explained why there is a growth problem in the UK, and I will read out the relevant extracts. He said:

"The economy as a whole must deal with the legacy of extraordinarily high debt levels built up prior to the crisis...The indebtedness of the financial system doubled, from 3½ times GDP in 1998—already high by international standards—to over 7 times GDP in 2008. To appreciate the scale of that increase, even if the financial sector were to cap its debt at today's level, it would take more than a decade for growth in the economy to return indebtedness relative to GDP to its 1998 ratio."

That spells out the extremity of the problem that we inherited and the time scale that will be required to restore sustainable growth.

Several hon. Members *rose—*

Vince Cable: I will finish this point before I take an intervention.

The Governor of the Bank of England calls in aid the former director-general of the CBI, who has made some strong criticisms. We have, of course, listened to those criticisms and treat them with respect. It is worth going back to what the director-general said. In the opening part of his speech, he described the fundamental problem facing the UK economy, which we are now trying to deal with. It is worth reading that part of his speech at a little length, because it encapsulates what this whole growth debate is about. He said:

"This coalition Government has been single-minded—some might even say ruthless—in its approach to spending cuts. Very unpopular decisions are being driven through on the argument that they are essential to the long-term stability of the economy. That policy is strongly supported by business, on the grounds that sound public finances are an essential foundation for a sound economy."

[Interruption.] In case this gentleman becomes an icon for the Labour party, let me quote what he said next. He said that there were "two reasons" why the public finances were in a mess:

"One is that the tax and spending policies of the last Government created a substantial structural deficit—a hole in the budget that had to be tackled irrespective of what happened to the economic cycle.

That's what made substantial spending cuts inevitable, irrespective of who won the last election."

That is the position we are in.

Chris Leslie (Nottingham East) (Lab/Co-op): I am grateful to the Secretary of State for giving way, but his professorial picking through of a variety of quotes is quite pitiful. Can he tell us where his growth plan is? Where is it?

Vince Cable: I will describe in detail the various steps being taken to sustain growth. If there were a silver bullet, the right hon. Member for Southampton, Itchen and his hon. Friends would have found it—but they did not.

Mr David Hanson (Delyn) (Lab): The right hon. Gentleman says that he is concerned about the approach of business to the deficit issue. Does business support the VAT increase, which the right hon. Gentleman himself opposed during the general election?

Vince Cable: Business—the CBI and all other businesses—has made it absolutely clear that it supports the tough action necessary for debt reduction. What Sir Richard Lambert went on to say was:

"Spending cuts do less damage to employment and growth...than do tax increases."

I think that provides a very convincing answer to the right hon. Gentleman.

Several hon. Members *rose—*

Vince Cable: I will proceed.

I referred to the core problem of the Budget. One difficulty we have had in debating this subject with Opposition Members is the state of denial not just about the big problem, but more specifically about the Business, Innovation and Skills budget. Our preoccupation has been to deliver for the coalition our contribution to deficit reduction. That has been our major task over the last year, and we have done that. There was a 25% cut over the spending period in the BIS spend. What makes engagement in debate with Opposition Members difficult is the fact that we know—because of the ring-fencing decisions made by the last Government and because of the Institute for Fiscal Studies analysis—that they also planned to cut the BIS budget by 25%. Whenever we hear these appeals to have more money for industrial support, more money for the regions, more money for universities and science and more money for further education, we ask this simple question: where would the money have come from in the midst of those 25% cuts? Opposition Members have a basic problem, although I am not quite sure what it is. It is either an acute problem of amnesia or one of fundamental economic illiteracy.

Nadhim Zahawi (Stratford-on-Avon) (Con): Does my right hon. Friend agree that this goes beyond mere deficit denial, as it is political opportunism of the worst kind? It is also irresponsible, because talking down our manufacturing base and all the hard-working businessmen and women in our country does no good in helping us get out of the mess that Labour left behind.

Vince Cable: I will come on to manufacturing in a moment. We are trying to recover from a position in which there was active de-industrialisation for the best part of a decade—*[Interruption.]* I shall come to the figures shortly.

Several hon. Members *rose—*

Vince Cable: I will take more interventions later.

Let me deal with the issue of growth. The right hon. Member for Southampton, Itchen has commented, quite reasonably, that the last quarter's figures and the flash estimates of gross domestic product growth were negative. Those were not good figures, of course, but let us try to put them in the context of what those data tell us, and what the survey data tell us, about the UK economy. Private sector business investment, which is at the core of the recovery, is 3.73% up on last year's performance. The OECD, the International Monetary Fund and the European Union all agree that for the first time in many years, trade—exports minus imports—is driving growth after a long period in which we had large importation to feed a consumer boom fed by debt. Crucially, on manufacturing, to deal with the point raised by my hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi), the Institute for Supply Management manufacturing survey published yesterday corroborated what the Chartered Institute of Purchasing and Supply and others have confirmed: that manufacturing is growing at the fastest pace—more than 5% a year—since records began 20 years ago.

Several hon. Members *rose—*

Vince Cable: Let me finish my point about manufacturing and then I will take another intervention. I shall pursue the point I was making in response to my hon. Friend the Member for Stratford-on-Avon about what we have inherited from the previous Government—a decade of remarkable de-industrialisation. Let us go back over the numbers. In 1997 the share of manufacturing in the British economy was about 20%—just a little less than in Germany, Japan and Italy. A decade later it had fallen to 11%, and far more rapidly than in any other industrial country. Manufacturing employment in that period fell from 4.3 million to 2.5 million, so we lost almost 2 million people in the manufacturing sector. The manufacturing trade deficit over that period rose from £7 billion to £53 billion.

Mr Marcus Jones: My right hon. Friend's argument is compelling. Does he agree that the Labour Government's record on manufacturing was absolutely despicable, because we lost those 1.8 million manufacturing jobs on their watch? Labour Members seem to forget that.

Vince Cable: The hon. Gentleman is absolutely right: that is the core point. It is a strange irony, because many Labour Members came from industrial Britain and had built their movement on it. In that decade, however, manufacturing industry was substantially devastated, and we are living with the legacy of it now. What we must emphasise—this is the core of our growth strategy, which the hon. Member for Nottingham East (Chris Leslie) asked about—is that manufacturing matters, and we will do everything we can to support it.

Paul Farrelly (Newcastle-under-Lyme) (Lab) *rose—*

Mr Watts: *rose—*

Vince Cable: I will take one more intervention before moving on.

Paul Farrelly: The right hon. Gentleman is a respected economist and will know full well that an expansion of exports is to be expected following the decline of sterling. That is not a growth strategy; it is a consequence of the previous economic policy that he used to agree with. Before he gets too carried away in making accusations about amnesia, may I ask him whether he recognises these words, written in 2009 and reprinted this year:

"I have taken the view that in the current circumstances it is on balance right to attempt a fiscal stimulus, recognizing, however, the risks. The alternative—prolonged and deepening slump—would be worse"?

Mr Speaker: That is quite long enough.

Vince Cable: There are indeed many wise words in that book, which is why it has been reprinted several times—it retains its relevance.

Let me move on from the general picture of de-industrialisation to the specifics. Let me also deal specifically with the Pfizer closure, which is a serious matter and an extremely disappointing development. The implication in the remarks of the right hon. Member for Southampton, Itchen was that the Government had somehow or other failed to head off a closure, which could have been avoided. Let me therefore talk him through the sequence of events, which is also important to many colleagues behind me, and explain what we are doing about the problem.

We were first notified about this at the beginning of last week—on 28 January. The chief executive came to London and briefed the Minister for Universities and Science, who rightly immediately asked what the British Government should do to avert the closure. The answer was that this was not a matter for British Government policy, and that the choice was not made on the basis of whether Britain was an attractive place to do business. Rather, the company was making global closures, including large closures in Dusseldorf in Germany and Massachusetts in the United States. The cycle of the company's patents was relevant, and it was a purely commercial decision. What happened with Pfizer is offset by what is happening elsewhere in the pharmaceutical industry. Only a few weeks ago GlaxoSmithKline announced a £500 million investment, creating 1,000 new jobs directly—and much else happening in the industry is positive.

The right hon. Member for Southampton, Itchen asked me what we were doing about the situation. First, I have established a taskforce comprising Kent county council, local interests and the Department for Work and Pensions working together to look at the local labour market and what we can do to help. My ministerial colleagues are involved in the process. The Minister for Universities and Science is working with the Secretary of State for Health to see how we can relocate scientists from those research facilities into the rest of the pharmaceutical industries. We may well establish a model based on the relative success so far of Allan Cook's efforts in the defence industry to see how best to pursue the relocation policy. However, the decision was not based on the investment climate in the United Kingdom. It was a commercial decision, and we are acting promptly in doing whatever we can to help the people who are caught up in that difficulty.

Simon Hughes (Bermondsey and Old Southwark) (LD): Many of us who have been in the House for a while know that this country often suffers as a result of decisions involving local businesses which are made elsewhere in Europe—or, as was the case when the Peek Frean factory in my constituency was closed, in Idaho. However, all my experience since May, both in my constituency and around the country, suggests that people are desperate to see manufacturing back on its feet, and desperate for the skills and apprenticeships that will allow it to perform. That is the great demand out there in relation to Government economic policy, and my right hon. Friend is going in absolutely the right direction by making it a priority.

Vince Cable: My right hon. Friend is right. It was suggested a few moments ago that the process of manufacturing recovery that we are beginning to see was driven entirely by exchange rates. That is, of course, a major factor, and it is something for which neither the last Government nor this one claim credit.

Several hon. Members *rose—*

Vince Cable: I will take interventions later.

What I think we can claim credit for is establishing a climate of confidence in which businesses can invest, and taking concrete action in specific areas—

Several hon. Members *rose—*

Vince Cable: I will take interventions in a few moments.

I think that we can claim credit for specific actions that have made a real difference in terms of manufacturing skills.

I believe that the right hon. Member for Southampton, Itchen said that apprenticeships were in decline. It is worth reading out the latest quarterly figures, because they are directly relevant to the intervention of my right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes) and those of Labour Members.

A year ago there were 63,400 level 2 apprenticeships; now there are 76,300. A year ago there were 35,200 advanced apprenticeships at level 3; now there are 42,300. The number of higher-level apprenticeships has risen from 700 to 1,200. That is a direct consequence of our intervention during the spending review, when we had to make tough choices. We chose to concentrate on supporting the apprenticeships that are the backbone of British industry.

James Morris (Halesowen and Rowley Regis) (Con): The Secretary of State is making a very good point. It is particularly applicable to the economy of the west midlands and the black country, where manufacturing still plays a very important role. The creation of a local enterprise partnership to focus specifically on manufacturing skills will directly benefit the local economy. It would be madness to pursue the policies of the previous Government, which failed to create the private sector jobs that we need in the west midlands.

Vince Cable: I thank the hon. Gentleman for his support. He makes the point extremely well. Local enterprise partnerships will achieve a great deal, at a far lower cost than the Labour party's £21 billion investment in regional development agencies. They are already beginning to make their mark.

Several hon. Members *rose—*

Vince Cable: I will take one intervention, and then move on.

Angela Smith (Penistone and Stocksbridge) (Lab): Steel manufacturers' confidence would increase if the Secretary of State could demonstrate that he was prepared to invest in steel, which he failed to do in the case of Sheffield Forgemasters, and if he came clean on whether his party supports the new generation of nuclear power stations that would create so much work for those manufacturers.

Vince Cable: As it happens, 10 days ago I talked to representatives of British Steel's successor, Tata Steel in India, about its plans for investment in the United Kingdom. I made it absolutely clear that we stood behind it, and would do all we could to support it. My colleague at the Department of Energy and Climate Change has already made it clear that we support investment in nuclear power, provided that it is not accompanied by a state subsidy. I also met the largest investor in that industry in order to support his activities.

Several hon. Members *rose—*

Vince Cable: I will move on now, and take interventions later.

Let me deal with the general complaint that the Department has made wrong choices by considering some of the decisions that we have had to make since coming to office. I will start with the universities. The Minister for Universities and Science will say a little more about fees policy later. It is an issue that we have debated several times.

I vividly recall, within days of beginning my job, having to sign off several key appointments to the Student Loans Company, and then having to make a very quick trip to Glasgow to visit an organisation which had been in a state of collapse and which we had inherited. I remind the right hon. Member for Southampton, Itchen—who, I believe, played a part in establishing that organisation; the Public Accounts Committee is currently reviewing the episode—that during a period at the beginning of the last academic year for which the last Government were responsible, when students were desperately telephoning the company about their finances, 87% of calls were unanswered. Moreover, only 46% of claims were processed. As a result of the decision to firm up the organisation, the percentage rose to 69% in the current academic year. That is still too low, but an organisation that was wholly dysfunctional under the last Government is beginning to be turned round.

Mr David Lammy (Tottenham) (Lab): The Secretary of State prays in aid the example of the Student Loans Company. He will be aware that an independent review by Sir Deian Hopkin found the board and the chair culpable, which is why they are no longer in the organisation.

Vince Cable: I seem to remember that an independent report established very firmly that responsibility lay with Ministers.

Mr Denham: I am grateful to the Secretary of State for giving way, because he referred to me personally in this connection. I think that he is missing the point. Part of the business of being a Minister, or a Secretary of State, is sorting out problems that arise—*[Interruption.]* Let me tell Members that things will go wrong for this Government, as they occasionally went wrong for our Government. It is part of a Secretary of State's job to sort those things out, but this Secretary of State is using that as an excuse for having done nothing about the really big challenges involved in promoting growth. It is no good his telling the House, "We couldn't do anything about growth because I was sorting out the Student Loans Company." That is a ridiculous argument.

Vince Cable: I am glad to hear it acknowledged that we began by having to sort out a mess. That is a good starting point for discussion.

Let me now deal with the further education sector, in which I became engaged, with the Minister for Further Education, Skills and Lifelong Learning. We began visiting further education colleges, many of which were utterly demoralised and unable to fulfil their function because their capital work had been stopped as a result of a process of utter incompetence. They had been authorised to spend nine times the amount that was actually available.

Let us examine the underlying trends, to which the motion refers. In the last five years of the Labour Government, adult learning—involving people over 19—fell by 1.1 million to 3.5 million. At a time when Government money was being thrown at problems, the Government's priorities were such that a key area was neglected and declined. We have sought to refocus that energy on apprenticeships, with the consequences that I have already described.

Mark Tami (Alyn and Deeside) (Lab): May I return the Secretary of State to the subject of manufacturing? My right hon. Friend the Member for Southampton, Itchen (Mr Denham) raised the issue of Airbus at the Business, Innovation and Skills Committee. There is great concern about the fact that key workers who are vital to the future of the business will be prevented from entering the United Kingdom under tier 2 of the points-based system. I know that the Secretary of State is concerned about that as well, but what is he going to do about it?

Vince Cable: The right hon. Member for Southampton, Itchen made a wholly wrong assertion. The system of immigration for skilled workers was substantially modified to remove intra-company transfers from immigration control. If there are particular cases involving particular companies, I shall be happy to pursue them. As it happens, I met Mr Gallois yesterday and the issue was not raised, but I will happily pursue any specific cases.

Let me now deal with another issue. A few moments ago, I received a challenge. Why, I was asked, did we not move away from some of the messes that we had inherited, and concentrate on the issues relevant to business growth? Let me start with an issue that is absolutely critical but does not merit even a word in the motion—regulation.

We inherited a system in which five new regulations were introduced every day, at a cost to the business sector that was independently assessed at £80 billion—about 5% of GDP. A few days ago the Minister of State, Cabinet Office discovered a book, only one copy of which is in circulation, of all the regulations that had been accumulated. Some 22,800 were bearing on businesses and adding enormously to their costs—

Richard Burden (Birmingham, Northfield) (Lab) *rose—*

Vince Cable: I shall finish this point and then give way. What we have done is, first, establish a process to stop the accumulation of regulation. Last week, with the support of the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey), I started attacking an issue that is a particular concern to small business: the problem of tribunals. I believe that there are almost 250,000 such cases a year, many of which are frivolous. They are being brought by people who are not required to pay any fee in order to be heard before the tribunal.

[Vince Cable]

We are trying to establish, following a consultation, a level playing field to help small business deal with the problems established by the tribunal system. In future all cases will go through a mediation process before they get into the costly and disruptive process of a tribunal. It is worth remembering that the previous Government tried twice to reform this process, but backed off on both occasions, under pressure from the people who pay their bills.

Alison McGovern (Wirral South) (Lab): The Secretary of State is talking about regulation, but he began his speech by giving us a history lesson on the financial services sector crash. So will he take this opportunity to explain what he would have done to regulate that sector further and prevent the global financial crash?

Vince Cable: It is a pity that the hon. Lady was not here to hear my speeches on this subject for the five years running up to the crisis, but I shall make two simple points now. The first is that when the financial crisis occurred, I thought and said openly, as I shall repeat now, that the interventions made at that time by the then Chancellor were exactly right and deserved support. What the then Government did not do—this is what we are doing through the Banking Commission—is look at the fundamental issues of overly large banks, concentrations of retail and investment banking, and how to deal with the very complex problems of those two things being locked in the same institution. We are dealing with the fundamental issues behind the banking crash, rather than the superficial aspects of it.

Mr Watts: I am grateful to the Secretary of State for finally giving way. He seems keen on encouraging manufacturing investment, so may I suggest that he restore the grants for business, which actually brought in £3.9 billion of investment and created 70,000 jobs, before he scrapped them?

Vince Cable: No doubt the hon. Gentleman will tell us where that fits on the shopping list. On industrial support, I shall simply say that where the previous Government promoted good schemes, such as the manufacturing advisory service, we are building on them, because we are looking at them on their merits, not doctrinally. However, where schemes were failing and were not cost-efficient, we have reduced them and scrapped them.

Julian Smith: Small businesses across Britain were delighted to hear last week's announcement by the Government on tribunals. May I encourage the Secretary of State and his excellent employment Minister, the Under-Secretary of State for Business, Innovation and Skills, my hon. Friend the Member for Kingston and Surbiton (Mr Davey), to go further and faster on freeing things up, and freeing small business from Labour's legacy of red tape?

Vince Cable: I am grateful for my hon. Friend's encouragement, and the Government intend to do exactly what he suggests. Shortly, we will take a forward look at the pipeline of regulation, and how we plan to reduce regulation and make it proportionate.

Richard Burden: A little earlier, the Secretary of State answered a question about the west midlands, so may I tell him what is worrying people and businesses there? On 28 October he made a statement on local growth, and his answer to everything in terms of industrial and other assistance was, "There will be a regional growth fund." That fund is oversubscribed and the rules have been changed at the last minute—although the Government have denied that they have done that. In Birmingham and the west midlands, the vital infrastructure projects for Birmingham airport and the regeneration of Longbridge look like being left high and dry. In practical terms, what confidence can he give to people in the west midlands that he will stand by them on such things?

Vince Cable: Rather than prejudge what the first tranche of the regional growth fund will be, let us just wait for the outcome and decide which projects will proceed on the basis of the independent evaluation that they have had.

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op) *rose—*

Vince Cable: I have taken a large number of interventions. I will take one more, from the Chair of the Select Committee, and then move on.

Mr Bailey: The Secretary of State mentioned the manufacturing advisory service, and I welcome his comment that he is going to build on it. However, I had a meeting with a representative of that service who seemed very unsure what its future would be in the context of the new Government policy. Will he take the opportunity to give reassurance to members of that service?

Vince Cable: I can certainly reassure the hon. Gentleman that that organisation has a good record and a good future. If he wants to talk through the details, I am sure that the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk) will engage with him on that subject.

I was reviewing some of the areas where the Government inherited major problems and are now trying to deal with them—university administration, further education colleges, apprenticeships and regulations—but let me mention another, which does not even figure in the motion: the appalling history of Royal Mail and the Post Office. One of the things that we have done, which the previous Government were not able to do, is pass through the first stage of parliamentary scrutiny of a process that will eventually get those organisations on a sound footing.

Let us remind Labour Members what we inherited: a collapsing post office network, which had declined from 19,400 post offices to 12,000, mostly as a result of a forced planned closure programme; and a Royal Mail that had a negative cash flow in the last financial year of £520 million, an operating loss of £320 million and a pension deficit of almost £10 billion. We are taking the necessary action to solve those problems, whereas the previous Government had an opportunity to do so but walked away from them.

Mr Mike Weir (Angus) (SNP) *rose—*

Vince Cable: I am not taking any more interventions, because I have been very generous.

I wish to conclude by discussing some of the other issues that the Government now have to deal with. These are major issues that we have inherited and where major policy is required in order to strengthen growth. The first issue is trade. That is fundamental to recovery, yet does not even merit a word in the Opposition's long motion. Do they not understand its importance? In the next few days a trade White Paper will: set out a new approach to the Export Credits Guarantee Department, a largely moribund organisation to which we are giving a new suite of products; refocus the activities of UK Trade & Investment; and stress the importance that we attach—I am personally involved in this—to trade liberalisation within the single market, in bilateral agreements with India, Brazil and the European Union, and through multilateral trade.

One of the things that we do, and I do—the Prime Minister has given his personal leadership on this—is ensure that Ministers spend a lot of their time attracting inward investment and opening up the big emerging markets that will be crucial to our growth. The right hon. Member for Southampton, Itchen asked what I had been doing in the past few weeks and months. Most recently I have been to India twice; I have also visited China, Brazil and Russia trying to open up markets and attract inward investment that will provide the growth and the jobs of the future, many of which are now materialising.

The second issue covers finance and the banks, which have been referred to on several occasions. The only reference to it in the motion is a factually incorrect one to tax revenue.

Priti Patel (Witham) (Con) *rose—*

Vince Cable: I shall give way in a moment. The factually incorrect reference is to tax revenue, because in fact the banking levy will result in the Government raising three to four times as much tax revenue from the banks as was going to be raised by the one-off profits levy last year, and that is excluding the effects of getting the major banks to comply with anti-avoidance procedures; the previous Government completely ignored that. There is an issue to address—I am sure that my hon. Friend the Member for Witham (Priti Patel) is intervening to tell me about it—concerning medium-sized and small companies that cannot attract bank lending. That serious problem is continuing because of the massive deleveraging taking place in the banking system. We have extended the system of bank guarantees. We now have a fund of £2 billion, and that process will continue. The Chancellor and I are personally negotiating with the banks to ensure that we deliver a substantially improved flow of funding to viable British companies.

Priti Patel: I have previously raised with the Secretary of State the horrendous time that my constituent, the chocolate maker Amelia Rope, has had in getting finance for her business so that she can make even more of her outstanding chocolate bars. Will the Secretary of State comment further on what he is doing to get more finance to businesses such as hers so that they can thrive and prosper and start doing more trade internationally?

Vince Cable: I know of my hon. Friend's frustration regarding this particular company and the banks, and I, or the relevant Minister of State, will be happy to meet her and the banks if that will help to get a proper evaluation of what is happening there. One development in that area is that a bank task force has been established, which will have a proper system of investigating complaints when banks behave unreasonably. I am very happy to take her through that, to meet her and to try to expedite that particular business transaction.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I congratulate my right hon. Friend on what he is doing to increase trade in this country, because the one way that we can help small businesses to grow is through trade. Will he commit to providing more help for small and medium-sized businesses to trade not only with north America and Europe but in the more difficult markets of Asia?

Vince Cable: The hon. Gentleman is exactly right that that is what we are doing, and that is what the trade White Paper will emphasise when we talk about the future tasking of UKTI.

Mr Lammy: Will the Secretary of State give way on that point?

Vince Cable: I have taken a lot of interventions, and I propose to conclude now.

There are many areas in which we have improved, and are improving, policy, but our overriding concern, over which the right hon. Member for Southampton, Itchen and his colleagues seem to have a serious amnesia problem, is sorting out the underlying problem of the public finances. That process will continue for several years. It is worth quoting from an OECD peer group of government that has been looking at our progress. Last week the OECD's secretary-general said:

"dealing with the deficit is the best way to prepare the ground for growth in the future. In fact, if you don't deal with the deficit you can be assured that there will not be growth because confidence will not recover."

That has been the central preoccupation of Government policy. It is painful and difficult but we are going to persist with it, and for that reason we will succeed in restoring stable and balanced growth to the British economy.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. This is a popular debate and a six-minute limit has been introduced on all Back Benchers' speeches, with the usual injury time for two interventions.

1.43 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): Let me start by saying that, on a personal level, I know from my discussions with Ministers that they are personally committed to the growth agenda. My reason for speaking in this debate is that I feel that they have failed to get their personal priorities and commitment translated across the rest of Government policy. Current Government policy on the economy and growth is politically driven and fundamentally economically flawed. Above all—even if one does not accept those first two premises—it is totally incoherent in its application.

[Mr Adrian Bailey]

The Secretary of State spoke at length about the comments of the former director-general of the CBI, Richard Lambert, but he failed to mention Mr Lambert's subsequent comments:

"But my argument this morning is that the Government has not been nearly so consistent and focussed when it comes to policies that support growth. It's failed so far to articulate in big picture terms its vision of what the UK economy might become under its stewardship."

He went on—this is the crux of the matter:

"And it's taken a series of policy initiatives for political reasons, apparently careless of the damage that they might do to business and to job creation."

We must emphasise the importance of job creation and growth in dealing with the deficit. Mr Lambert pointed out in the same speech that the deficit was partly a result of public spending last year being up by 3% from 2008, but was, above all, because tax receipts were down by 13%. One would reasonably expect, in a policy designed to eliminate the deficit, that there would be a balance of measures designed to cut public spending and get economic growth, but what we have had are measures designed simply to cut public spending and not to get economic growth.

Mr Sam Gyimah (East Surrey) (Con): The hon. Gentleman says that our policies are not designed to promote economic growth, but what about our tax policy, which will make us one of the lowest-taxed countries in the G7? Will that not generate economic growth?

Mr Bailey: I would love to talk about tax policy such as the VAT rise that is cutting demand, particularly in the construction industry, in which 7,500 people are going to be made unemployed as a number of businesses go down. I could go on for a very long time about the Government's tax policy. Corporation tax cuts will benefit the rich—[Hon. Members: "Oh, come on!"] They will benefit the banking community and those within it, but I want to see an increase in capital allowances, which is what the manufacturing sector wants to enable investment to take place. However, I shall move on.

Let us consider the financial implications of economic growth for tax receipts. A 1% rise in gross domestic product brings in £7.7 billion in tax receipts. Over the lifetime of a Government, a 1% increase in GDP growth would bring in something like £37.5 billion—nearly half the deficit that the Chancellor says we need to cut over this period. It is therefore the responsibility of BIS to push and push for Government priorities to ensure that the elimination of that deficit is effected largely through economic growth, but it has failed to do that. I think that was acknowledged in Mr Lambert's comments.

The growth White Paper has been abandoned because there was not enough in it—hardly sterling support for industry and the private sector. Some of the policies we are talking about do not involve any expenditure to implement but are about the priorities of other Departments and how they impact on growth. One would reasonably expect BIS to demonstrate to other Departments how they are damaging growth. Localism is one example. We have heard a lot about the abolition of regional development agencies and their replacement with local enterprise partnerships. By abolishing RDAs, the Government stripped away a core of local business support and they put in its place LEPs, which may or may not be successful, but which have not delivered a single job so far.

Geoffrey Clifton-Brown: I am grateful to the Chairman of the Select Committee on Business, Innovation and Skills for giving way. I have listened to the spokesman for the Opposition and to the hon. Gentleman, but apart from one costed programme to accelerate broadband I have not heard a single policy from Her Majesty's Opposition. Is it too much to expect the Chairman of the Select Committee, who should know about these things, to announce some positive policies?

Mr Bailey: We would have sustained the level of support at local level that would have allowed manufacturers to benefit from the sort of programmes that were being developed to get us out of recession. However, the hon. Gentleman must forgive me if I concentrate on the issue at stake, which is the performance of BIS in promoting growth.

On LEPs, I am second to none in my praise for my local Black Country chamber of commerce and those who are committed to making it work. I shall do everything I can to support the LEP, but I know that there are serious reservations about the lack of funding it has for submitting applications and about the delay that occurred when its original application to become an LEP was turned down.

What, above all, is very worrying as regards the potential for LEPs is the fact that the planning proposals in the Localism Bill do not include LEPs having any role whatever in the process. How the Government can create a local organisation with a brief to drive growth but not include it in the local planning plans for a local community defies all credibility and belief. Without the support of local planning authorities, it will be difficult for local businesses to push for growth.

Immigration has already been mentioned. The revelations that we heard yesterday in the Business, Innovation and Skills Committee on the impact of the Government's cap on recruiting people for vital, iconic businesses that have demonstrated time and again their ability to deliver jobs and growth are a real worry. Some of us thought that the Secretary of State had had some success in that regard, but it looks as though the headline announcements are not being reflected by the attitudes of the Departments involved. That is, in itself, a reflection on this particular Department's ability to get what it needs from other Departments in delivering on an agenda that is essential for the Government and the economy.

BIS should be taking a lead role and ensuring that there is a growth impact test on the actions taken by other Departments. That is not so. This is why, under a Labour Government, we were growing ourselves out of—

Mr Deputy Speaker (Mr Nigel Evans): Order. I call Simon Kirby.

1.51 pm

Simon Kirby (Brighton, Kemptown) (Con): The right hon. Member for Southampton, Itchen (Mr Denham) is absolutely right when he says that the Government must take decisive action—decisive action to address the staggering deficit and huge public debt inherited

from the Labour party; decisive action as a direct result of the previous Government spending more than they raised in taxation; and decisive action because the Labour party burdened generations to come with the liabilities incurred for the current generation. That decisive action will help to put in place the right macro-economic conditions for recovery.

Mel Stride: Does my hon. Friend agree that only the prompt action that the Government took in the emergency Budget shortly after the election ensured that we stabilised the markets, which in turn kept interest rates low, which in turn kept sterling low and encouraged manufacturing exports?

Simon Kirby: My hon. Friend is, as usual, correct. We inherited a very big mess indeed.

Coalition Ministers are driving forward a programme with one purpose—creating jobs. There is talk about what is happening. A raft of measures have been introduced, and those are designed to support economic recovery, boost business and help the private sector to create jobs. Corporation tax is falling for both small and large firms. The previous Government's planned increase in employer national insurance contributions has been stopped. National insurance contribution discounts are being offered to encourage new start-ups to take on employees. Small-business rate relief has been doubled for a year, and the Government are getting to grips with the red tape that strangles so many of our small firms.

Let me be clear on this point—

Ian Murray (Edinburgh South) (Lab): Will the hon. Gentleman give way?

Simon Kirby: I will not.

Business needs to be liberated, not submerged in legislation, not taxed out of existence, not immobilised by red tape. We must release the shackles and set business free.

Brand UK is strong, and it is important that we talk Britain up, not down. We must dispel any perception that the UK is a burdensome place to do business. We need to be aware of the huge competition from Asia. The Prime Minister, the Foreign Office, the Treasury and BIS have all given the highest priority to the business and skills agenda.

The coalition Government are ensuring that entrepreneurs and business owners are able to access the information and advice that they need. The Business Department is undertaking a number of reforms to Government-funded business support. The Work programme will provide personalised support for those with the greatest barriers to employment. The new enterprise allowance will help people to make the jump from unemployment to self-employment. Investment will ensure that workers have the skills that they need in a modern labour market. Young unemployed people will get much more help to access extended work experience opportunities.

Mr Gyimah: Does my hon. Friend agree that our skills strategy goes further than the previous Government's in enabling people who want to reskill to gain funding to do part-time courses, and therefore get back into the workplace and get jobs?

Simon Kirby: I agree. Our policy is totally in keeping with the 21st century we all live in.

Let me tell the House something about my constituency of Brighton, Kemptown—somewhere that the Centre for Cities has once again singled out as performing strongly post-recession:

> "Cities with strong private sector economies and limited public spending cuts, such as Brighton, will be well placed to drive the UK's economic recovery."

Just this week, recruitment specialists are reporting a surge in vacancies in Brighton and Hove, with firms returning to pre-recession staff levels. Amex announced last week that it is looking to expand still further in Brighton by relocating many hundreds of well paid and permanent jobs from Madrid.

Developers are still looking to invest in Brighton and Hove, and Brighton and Hove, with its Conservative-run council and its three new non-Labour MPs, is a place to do business. No wonder the right hon. Member for Doncaster North (Edward Miliband), the Leader of the Opposition, came down recently to see how it is done. Contrast that with the previous Government—the Labour party, which told us, "There is no money left." We see in the new Government decisive action, both locally and nationally.

Karl Turner (Kingston upon Hull East) (Lab): When Labour left office, growth was picking up, unemployment was falling, inflation was low and the deficit came in more than £20 billion lower than forecast. Under this Government, inflation is rising, growth has stalled and unemployment is rising. They really are facts, so will the hon. Gentleman accept them?

Simon Kirby: No, I will not accept those facts. I am often struck, looking at those on the Opposition Benches, by how few people have been in business, how few have employed people and how few have filled in a VAT return. I have employed more people than could fit in this Chamber, and I speak from some experience.

Mel Stride: On the point made by the hon. Member for Kingston upon Hull East (Karl Turner), does my hon. Friend agree that it is typical of the previous Government that they left office with unemployment higher than when they came to office—the case with every single Labour Government in history?

Simon Kirby: I agree with my hon. Friend. One of the sad things about unemployment is the youth unemployment element, which is particularly prevalent in my constituency. It is, frankly, a disgrace.

Jim Shannon (Strangford) (DUP): Will the hon. Gentleman give way?

Simon Kirby: I will not, because I do not have much time left.

There is much more to do, and the times we live in are very difficult, but, taken together, the Government's measures will create the right conditions for business to thrive, compete and create sustainable economic growth and employment. The coalition Government are doing a good job, getting us out of the mess left by the previous Labour Government—decisive action by a decisive Government. I, for one, applaud the progress made by the Government and wholeheartedly disagree with this very mean and inconsiderate motion.

1.59 pm

Mr Pat McFadden (Wolverhampton South East) (Lab): We should begin the debate by considering, as the motion asks us to do, the role of the Department for Business, Innovation and Skills. It has in recent years become a major spending Department, with the stewardship of universities and further education colleges. It is different from other Departments in that, uniquely, it stands on the boundary of the public and private sectors. Its job is to sell Britain abroad as a great location for doing business, and to help UK businesses to penetrate foreign markets. It is also, of course, the key location for business and employees to come to Government with business-related issues. It is, as the Secretary of State has described, the Department for growth—or it should be.

How Government achieve that growth—the role of Government in helping to foster growth—is what divides the House. There are those on the Government Benches, including the Secretary of State, who is no longer in his place, who previously called for the Department to be abolished, and who thought that there was no role for Government to play in fostering growth, apart from getting out of the way. That is not our view; we believe that there is an important and active role in fostering growth.

I take issue with one of the arguments that the Secretary of State has deployed time after time since the election—that the actions taken by the present Government would have been taken by Labour because we were committed to the same level of cuts. It is not true. The Government have launched a programme of cuts which is tens of billions of pounds more than anything that was being planned by the Labour Government, and he cannot continue to rest on that argument.

Mr Brian Binley (Northampton South) (Con): I am grateful to the right hon. Gentleman for giving way. He is always very kind in these matters. If he knew the plans of the previous Government, having been a member of the previous Government, will he explain them to us in order that we can understand how the deficit would have been met?

Mr McFadden: If the hon. Gentleman casts his mind back a little more than a year to the pre-Budget report, he will find that cuts in spending were set out by the Department while I was a Minister there. He simply needs to read the pre-Budget report.

I admit that over time during the Labour Government our view on the Department's role shifted. In the early days we were, perhaps, too reluctant to intervene in markets, but we got to the point where we were playing a much more active role and co-ordinating activity across Whitehall on key industrial and employment opportunities.

For example, with the Department of Energy and Climate Change, we produced the low carbon industrial strategy to achieve the most for UK industry out of the shift to low carbon power generation. On transport, we worked with the Department for Transport on an ultra-low-carbon vehicle strategy. In other words, the Department for Business, Innovation and Skills played a leading and co-ordinating role to take advantage of the industrial and employment opportunities of the future. That is what we were doing to try to foster growth and employment.

Alison McGovern: As my right hon. Friend knows, Vauxhall Motors is close to the southern end of my constituency. Will he comment on the previous Government's approach in setting the ground work for electric vehicles and ensuring that high-tech manufacturing, which is employing people in my constituency, is part of this country's future and not part of our past?

Mr McFadden: My hon. Friend is right. The sad fact is that whereas we wanted to support General Motors in its plans for restructuring in Europe, by the time the current Government got round to making a decision on that, Vauxhall had decided to go away and sort out its own financing.

Let me turn to some of the issues that have arisen since the election. We could trade quotes from Sir Richard Lambert all day, so let us be candid about what he said last week. He said that he agreed with the Government on the deficit reduction strategy, but he thought that there was no wider vision for the economy and there was a danger that the Department was turning into a "talking shop". That is a fair summary of Sir Richard Lambert's speech.

Jim Shannon: Will the right hon. Gentleman give way?

Mr McFadden: I will not give way because I want to make progress.

What business wants is for the Department to be winning battles in Whitehall. That, sadly, has not been happening. The Department and the Government talk about rebalancing the economy. By that we mean rebalancing away from an excessive dependence on financial services and from excessive dependence on certain parts of the country. How, then, can the Government justify in their first Budget cutting some £2.8 billion in investment allowances to manufacturing industry? The corporation tax cut, which has been mentioned, adds up to a benefit of £2.7 billion. In other words, what has happened is that manufacturing industry is paying for a tax cut for the rest of the economy.

The Secretary of State referred to the decline in manufacturing as a proportion of output and of employment. What he did not mention was the fact that we were going through the biggest wave of globalisation in world economic history. He takes an entirely national view, when there was profound change going on in constituencies such as mine and other black country constituencies in manufacturing during that period.

The programme of grants for business investment has been responsible in the past six years for some £400 million of grants to small and medium-sized mostly manufacturing businesses. Fewer than one in five of the grants is more than £1 million. Those grants have supported some 1,800 projects, secured almost £4 billion in investment, and helped to secure almost 80,000 jobs. How on earth does abolishing that programme fit in with rhetoric about trying to rebalance the economy?

Further, those grants are specifically geared to the assisted areas—areas that need help most, such as my own in the west midlands. We met people from the Black Country local enterprise partnership a few days ago. I pay tribute to the business people in that area who have worked so hard to pull together the Black Country LEP. I reflect a fear and a concern, which I suspect are shared elsewhere. Despite the commitment

of the business people, will they get the support that they need from the regional growth fund? That fund is grossly oversubscribed. If business has put in the effort but Government do not back those bids and projects, business will rightly feel let down, and my constituents will rightly feel let down by the prospectus that has been offered.

On trade and immigration, the Minister for Universities and Science is in his place. How does he feel that the soft power that is gained from the UK as a wonderful location to study will be affected by the new proposals on restricting the right to work of people who come here to study? How does that help us to sell Britain abroad as an attractive location for investment?

The truth is that business is concerned about the difference between commentary and delivery that we see in the current Department. That is the difference between opposition and government. The Secretary of State, having lost the battles over LEPs, where the Department for Communities and Local Government appears to be running the show, and over immigration policy, has been left to bet the farm on the banking commission. It is not even fully within his control. Business will want to see less commentary and more delivery in future.

2.8 pm

Lorely Burt (Solihull) (LD): The thrust of the Opposition motion is that the coalition failed to deliver its promise on growth and jobs. Let us consider the facts. We are seeking to rebalance an economy which, under Labour, became over-dependent on the financial sector. For a long time I have called for more focus on encouraging manufacturing in the UK. Last year, sadly, we dropped to seventh in the global league in manufacturing, but now we have the beginnings of a different story.

In January this year, manufacturing hit a record high. The purchasing managers index recorded:

> "Rates of expansion in UK manufacturing new orders and employment accelerated to reach levels without precedent in the nineteen-year survey history".

Manufacturing employment rose for the 10th successive month in January. How have we as a coalition Government contributed to this encouraging expansion?

I often say that the role of Government is not to interfere, but to create a fair playing field and then get off the pitch. Government should create an atmosphere in which businesses can survive and grow, and the coalition is doing that. The effect of the moves that we have made to reduce regulation is not yet being felt. The Secretary of State has announced new rules that will be coming in to create fairness in employment law so that employers and employees can navigate through disputes more easily, and tax rules are being simplified.

We can restore economic stability in this country only by bringing the deficit under control, but we need to ensure that business continues to invest. That is why the Government have set out plans to promote growth by reducing corporation tax to the lowest level in the G7. Many welcome measures are being introduced, and I particularly welcome the new enterprise allowance that will allow unemployed people to get off the dole and realise their often long-held dreams of starting up their own business.

Ian Murray: The hon. Lady, like many of her coalition colleagues, has mentioned the cut in corporation tax as a massive driver of economic growth. Does she agree that corporation tax is paid only on profits and that many small businesses, particularly those in the service and tourism sector in my constituency that write to me, are more concerned about their profits because they have either no customers or fewer customers as a result of the massive VAT hike?

Lorely Burt: The Government have been particularly generous to small businesses for the coming year. The hon. Gentleman is right that no one wanted to increase VAT, but unfortunately the alternatives were even less palatable.

Mr Mike Weir (Angus) (SNP): Will the hon. Lady give way?

Lorely Burt: In a moment.

There is also the national insurance contributions holiday for the first 10 employees in the first year of business for new companies outside London and the south-east. The regional growth fund has been much maligned today, but I think it will play an important part in stimulating growth.

Nadhim Zahawi (Stratford-on-Avon) (Con): When providing help to business, one of the most important things is to check that it is administered correctly. One need only look at the Export Credits Guarantee Department to see the symptoms of the previous Government's failures: 90% has gone on aerospace help, which is wonderful for that industry, but the 10% for other industries has dropped by 40%. Such funding is obviously not fit for purpose, compared with other countries where it is going up. That is a perfect example of the previous Government's failures of administration.

Lorely Burt: I totally agree with the hon. Gentleman. The big companies that shout the loudest often benefit disproportionately from Government funding. On that point, I note that the Government have an aspiration to procure 25% from small businesses. With regard to exports, it is important that small businesses receive their fair dues. I also welcome the technology and innovation centres, which will bridge the gap between good ideas and their implementation and the readiness to bring them to market.

Angela Smith: Will the hon. Lady give way?

Lorely Burt: I am sorry, but I have given way twice already and that is it.

All those measures are yet to come into effect, so how can we claim that the improving business situation is due to us? We have created a climate of confidence in this country. We have put in some pretty harsh measures to tackle the deficit. Not a single Liberal Democrat colleague has taken a moment of pleasure in that, but we joined the coalition and signed up to the agreement because we felt that it was necessary to restore confidence, and it did. Following the June Budget, we saw our triple A credit rating restored. The credit rating agencies backed our deficit plan, and so did the International Monetary Fund, the OECD, the CBI, the European Commission, the World Bank, the Governor of the Bank of England and one Mr Tony Blair. Other countries,

[Lorely Burt]

before and after the Budget, have faced financial meltdown, and if we had not done that, we would be paying the crippling interest rates that people in Ireland are now paying.

Ian Lucas (Wrexham) (Lab): Fiction.

Lorely Burt: We are hearing a lot of denial from those on the Opposition Front Bench. Had we not taken that action, we would be facing greater wage cuts than we are already suffering and more job losses. Not everything that John Cridland, the director-general of the CBI, has said about the coalition Government has been complimentary, but this week he said that

"the coalition government has a lot of credit in the bank with the British business community for the way it's tackled the deficit. That was task number one and it needs driving through and it mustn't allow itself to be knocked off course".

The Secretary of State has referred to the £4 billion cut in the Department's budget. Labour has opposed this, but it has failed to say even once where it would have cut to achieve their stated £44 billion worth of cuts. BIS was an unprotected Department under its plans. It criticises us for our plan for business, but it does not have a plan. It should criticise after it has produced an alternative, because what it did for the past 13 years certainly did not work. Under Labour, Britain fell from seventh to 13th in the World Economic Forum's global competitiveness league. Tax competitiveness also fell: in 1997, the UK had the 11th lowest corporate tax rate in the world; but in 2009 it was the 23rd lowest. The British Chambers of Commerce has claimed that Labour created £83 billion of red tape that was simply choking off businesses' ability to grow.

I know that things are choppy, and we have heard about the lack of growth in the past month, but I would like to finish on a positive note, because it is not just about manufacturing. The Reed job index, which is run by the country's largest recruitment website, has shown that employers seem to be in job creation mode. I am not pretending that we are out of the woods yet, but things are certainly improving under this Government.

2.17 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I am sure that the Minister is aware of the great success story of the North East of England Process Industry Cluster: it made £1 billion, gross value added, in six years with just £3 million of public support. It was set up by One North East, the local regional development agency, and has an ongoing portfolio of 62 projects worth £8 million. One particular project, the Tenergis project, which is worth $5 billion, could rejuvenate the local economy and, in turn, attract further world-scale investment.

Chemicals contribute to more than 30% of the nation's industrial economy, and the sector attracts some of the chemical and process industry's world leaders. Teesside's process industry contributes about £10 billion to the north-east's economy—almost a third of regional GDP—but has seen a series of job cuts and plant closure announcements in recent months, despite having grown in the past five years.

What has that sector seen from the Department since May? The Government have put much emphasis on export-led growth—pretty much a statement of the bleeding obvious. A friendly voice from the Government Benches will no doubt state that manufacturing growth in general has increased amidst a sea of GDP decline, but such statements will not be followed with the caveat that the majority of that growth is in inventory spending, meaning the restocking of raw materials for production. It is a restocking at a time when raw material and commodity prices are at a real high, inflating the costs per measure of materials purchased. I fear that that will be demonstrated in the second and third quarters of this year as domestic demand unfortunately wanes, especially if domestic interest rates are raised. That is combined with the VAT increase, the increased national insurance contributions, wage cuts, fuel costs and the fact that although the world function is based on the retail prices index, the Government function is based on the consumer prices index. We are looking for a domestic multiplier here.

Any policy that is reliant on export-led growth ignores reality as the EU's internal problems continue and Asian markets become increasingly protectionist and insular in their dissemination of vital raw materials. NEPIC's vision in its industrial plan is to seek out other clusters like itself and send its industrialists there to win the crucial research and development contracts that will hugely benefit our economy. Getting £1 billion in six years from £3 million is good business in anyone's book. It is a clear example of how public investment can and does attract private investment, both domestic and from abroad.

As well as the scrapping of One North East, the body that helped set up and support NEPIC, we have now seen the abrupt end to the emergency package devised for Teesside in the wake of steel job losses. It targeted jobs growth in the chemicals sector as an alternative to steel jobs. That scheme has been axed, even though it is still allocating work and has £18 million in uncommitted funds that could have been used to support and enhance the objectives of NEPIC member companies.

Now we hear that a long-standing and successful job-creation fund, which over the past decade has helped to create many hundreds of thousands of jobs in areas such as the north-east, is to be axed by stealth. That fund, the grants for business investment scheme, has been—under its own name of regional selective assistance—responsible in the north-east for pumping £112 million into poorer parts of the region and for helping to create 25,000 jobs.

Jim Shannon: Does the hon. Gentleman agree that we need to foster opportunities for young people, especially when unemployment among young people has reached 951,000, the highest it has ever been? One in four people between 16 and 25 years old are out of work, and there is a need to create opportunity for young people.

Tom Blenkinsop: I wholeheartedly agree. Indeed, the grants for business investment scheme helped deal with that problem.

In various forms and under successive Governments, the scheme has been in place since the late 1960s. It survived the Heath years, the 1970s Labour Governments and even the Thatcher and Major years and the most recent round of Labour Government. Despite differences on economic policy, all those Administrations recognised the value of regional selective assistance. It was a genuine central-local partnership, handled by the Department

for Trade and Industry and then by Department for Business, Innovation and Skills' offices in London, but its decisions were guided by a regional evaluation board made up of regional businessmen and women. A measure of its success was its crucial role in bringing Nissan to the north-east in the 1970s. More recently, it helped Teesside to secure jobs in the offshore engineering sector and underpinned the decision to rebuild the SABIC Wilton site catalytic kraken, currently the single-most important plant on the Wilton site.

What is worse, and what puts us at even more of a disadvantage, is that the scheme will close only in England; Scotland and Wales will keep it and be able therefore to compete directly with the north-east for a position of advantage. It is tragic that the scheme will go, because it will only put more pressure on the hopelessly oversubscribed and underfunded regional growth fund, which seems to be the Government's sole contribution to regional economic growth. The RGF, which has about £300 million to allocate, has already had bids from throughout the region, from Berwick in the north to Boulby in the south, topping £3 billion.

The Government cannot keep relying on a weak pound or ignore industry's need for direct investment in research and development and for partnership with them. I asked the Secretary of State where his influence on the feted local enterprise partnerships is in the Localism Bill. Why has he handed the European regional development fund over to the Secretary of State for Communities and Local Government?

Does the Business Secretary not acknowledge that the Office for Budget Responsibility told him explicitly that unemployment would increase as a result of his policies? Only 3% of people who have achieved work since the recession have gained full-time work. Could he not have reformed RDAs rather than destroy them, or at least asked industrialists in the north-east what they thought? Does he not find it bizarre that more money will be spent on post offices than on the entire English RGF? Why is he allowing long-term timber deals between biomass generation plants and the Forestry Commission to be undermined by Ministers in the Department for Environment, Food and Rural Affairs, who want to sell off cash-crop forests?

The Department for Business, Innovation and Skills and its Secretary of State are summed up by his magical mystery tour last year of the beam mill at Tata's Redcar plant, which is part of the long products division, not of Teesside Cast Products, the actual plant in question. His party and his Government promised that they would not stand by while steel jobs were lost. In fact, they did more than that. At Forgemasters in Sheffield, a site where I was the union official, Labour put pen to paper when money was requested to help industry. The Secretary of State's Government ripped it up.

When my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), the Business Minister in the previous Labour Government, contacted the former chief executive officer of Corus Europe, Kirby Adams, a personal friend of the Prime Minister and much mentioned in the leaders' television debates, he literally put the phone down on a Labour Minister offering help.

The Secretary of State has metaphorically put the phone down on Teesside's manufacturing, cutting almost one third of the funds set aside for the Tees valley industrial aid package. Standing idly by? No, I could not accuse him of that. Turning his back on Teesside? Yes, I could certainly say that. It was again evident when he was dictated to by his colleagues in DCLG, the Treasury and the Departments of Energy and Climate Change and for Environment, Food and Rural Affairs.

The Secretary of State's colleagues at DECC refer to high-energy manufacturing as sunset industries. Why on earth is he allowing a rammed-through consultation on carbon price support and energy market reform with no impact assessment on energy-intensive industry in either case? Why does the consultation have a short time scale? He says he wants to take away regulation. That is utter nonsense: he is allowing far more complex and damaging regulation through that programme; and he is attacking workers, particularly those in the steel industry, who kept their patience over two and a half years when they had more than a few good reasons to take industrial action. I know, because I led them alongside colleagues, but we restrained ourselves to ensure that we had an industry in Teesside and an industry for this country.

2.24 pm

Geoffrey Clifton-Brown (The Cotswolds) (Con): In America the official unemployment rate is 9.5%; unofficially, it is 13%. Americans face the worst fiscal deficit since the slump of the 1930s, and, despite the huge fiscal stimulus package introduced by President Obama, the US economy is not producing enough jobs to reduce those rates of unemployment, let alone to create enough jobs for new entrants to the job market.

Unfortunately, our economy faces similar conditions, and, as I said in my speech during the Budget debate on 23 June last year, it is essential that as the public sector contracts, everything is done to encourage the private sector to grow as fast as possible in order to take up the necessary slack and to create desperately needed jobs, particularly among the young. At this time, small and medium-sized enterprises collectively account for 99.9% of all enterprises, 59.8% of private sector employment and 49% of private sector turnover. It is clear that our economic recovery will be fuelled by those firms, to which the Government should provide all possible help. The Government have taken a number of steps to help in doing so. They have reduced corporation tax, both large and small; increased the threshold at which employers begin paying national insurance contributions; they are consulting on reforming employment tribunals; and there is a welcome and significant increase in apprenticeships.

There are significant problems out there, however. The banks are lending to certain favoured sectors, and even in other sectors their arrangement fees have increased hugely over the past year or so, thereby increasing borrowing costs. The introduction of regulation on flexible working and paternity leave, although desirable in themselves, could have serious negative implications for small businesses, which can ill afford to lose a member of staff for a considerable time. It is vital that the Department for Business, Innovation and Skills wins those arguments with other Departments, and that business policy is ruthlessly put first.

Julian Smith: Does my hon. Friend agree that on family-friendly policies, which are vital for supporting the improvement of children in our country, small

[Julian Smith]

businesses with very few employees need to be given special attention? They are special cases, and we need to look after their needs as much as possible.

Geoffrey Clifton-Brown: My hon. Friend is prescient, because I was about to move on to that subject. The European Union has what it calls a "Small Business Act", which requires the EU to look at every new regulation before it is introduced and consider its effect on small businesses to see whether very small firms might be exempted from it. We should do more of the same here.

The greatest challenges and opportunities lie in inward investment—foreign direct investment, FDI—and exports. As I identified when I was shadow Trade Minister, the previous Government's policies on those matters were incoherent, particularly with regard to the enormously expensive regional development authority offices that were based throughout the world, often in the same city, and competing for the same inward investment to UK. Thankfully, we have put a stop to that, and I am delighted to hear that my right hon. Friend the Secretary of State is about to produce a White Paper on trade. That will be very welcome, indeed, and I am sure it will address several measures that I am going to discuss in my speech.

If the newly created local enterprise partnerships are not to have any role in FDI, presumably UK Trade & Investment will deliver the policy centrally from London, with small teams on the ground in the regions, something that I have advocated. Perhaps the Minister, when he makes his winding-up speech, will confirm that, because FDI is a vital part of the economy. We must not only seek new FDI from throughout the world, but carefully look after what we have. I was alarmed to see that Hua Wei, one of the world's largest IT companies and based in Beijing, has just moved its European headquarters from Basingstoke to Düsseldorf. Eventually, that could affect 6,000 jobs, and the Pfizer decision today is another reminder of FDI's importance.

Alison McGovern: Will the hon. Gentleman give way?

Geoffrey Clifton-Brown: I shall, but the hon. Lady is the last person I am going to give way to.

Alison McGovern: The hon. Gentleman mentions FDI and UKTI—forgive me for using so many acronyms—and their role in bringing inward investment. Will he comment on how successful centralised action to bring in FDI to regions of this country, such as the north-west and the north-east, was in the 1980s and the 1990s?

Geoffrey Clifton-Brown: The simple answer is that the previous Government were not as successful at doing that as they should have been, and their policies were not coherent enough.

I say to the Minister for Universities and Science that we also have to look at bringing in visas for a few very highly skilled people. The other day I visited a local plc. It employs several thousand people, but only a very few—about half a dozen—of the brightest and best people from around the world. It needs visas to get such people into this country—people who, with their ideas and innovation, can act as a multiplier for many other jobs.

Exports will be similarly vital to a growing economy. Recent estimates for the period 1996 to 2004 suggest that firms that are new to exporting experience, on average, a 34% increase in productivity in the year of entry, whereas companies that stopped exporting saw a drop in productivity of 7% to 8%. That is self-evident, because to export they have to be competitive. It is concerning that despite the weakness of the pound against the dollar and the euro, the UK's overall monthly trade deficit on goods and services for the month of November declined from £4.1 billion to £4 billion. We need to keep a watch on that.

Only 23% of small businesses export, and those that do are often stifled by the red tape inherited from the previous Government. Some 70% of our total exports go to the markets of North America and the EU. However, estimates suggest that by 2020 the EU's and the USA's share of global gross domestic product will have declined to less than 40%. It is therefore vital that we give more help to small businesses wishing to export to markets outside Europe and North America, particularly the growing markets of the BRIC countries—Brazil, Russia, India and China—although many other countries out there are also growing very fast.

It was encouraging to see that last year UKTI's budget was increased because of the Foreign Office administration programme, but its future is much less clear. I would say to my right hon. Friend the Minister that as it is about the only bit of government that makes money for the country, and it has a huge task to do, it would be folly to cut its budget.

The ministerial structure that we have at present is too fragmented. Exports and UKTI are handled by the new Minister for Trade and Investment, Lord Green. The Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), handles the ECGD; and my golly, as my hon. Friend and neighbour, the Member for Stratford-on-Avon (Nadhim Zahawi), said, it desperately needs an overhaul, with 80%—he said 90%, which is even worse—of all its lending going to aerospace, mostly to Airbus. That is unacceptable. Other countries do much better with their equivalent bodies, and so should we. Local enterprise partnerships are handled by the Minister of State, Department for Business, Innovation and Skills, my hon. Friend the Member for Hertford and Stortford (Mr Prisk). It is not yet clear what role LEPs will have in FDI and exports.

Export licensing is another area that we desperately need to overhaul. I have here a quote from Mark Ridgway of Group Rhodes, who says—I hope that my right hon. Friend the Minister will pay close attention to this—

> "We are currently, for example, awaiting an export licence to Pakistan, for which we first applied over 3 months ago. The order will be lost before permission is granted."

We cannot afford, as a country, to go on like this. Either the export should be refused in a reasonable space of time, or it should be allowed.

In summary, our economy is fragile. The private sector must take up the slack of the public sector. It is vital that we have a legislative and regulatory structure that is ruthlessly pro-business. We must have a coherent plan for FDI and exports, as that is where economic growth is going to come from in the future.

2.33 pm

Angela Smith (Penistone and Stocksbridge) (Lab): I am grateful for the opportunity to participate in this debate. South Yorkshire has a very proud history of manufacturing, which has been demonstrated in recent years by investment in advanced manufacturing on a major scale—in partnership with our two fine universities, Sheffield and Sheffield Hallam—and by the advanced manufacturing park established on the border of Sheffield and Rotherham, which boasts partners such as blue-chip companies Rolls-Royce and Boeing, and which was supported very strongly by the regional development agency, Yorkshire Forward. The very model now being recommended by the Tory-led Government is already working in practice in South Yorkshire and is succeeding entirely because of the support and co-ordinating work offered by Yorkshire Forward.

However, much of that is at risk because of the shambolic way in which this Tory-led Government are now running the Department for Business, Innovation and Skills. There is no doubt that the economy of South Yorkshire was hit hard last time the Tories were in power. South Yorkshire suffered the double whammy of the absolute decimation of the coal industry and the serious damaging of the steel industry in places such as Sheffield, Doncaster and Rotherham. Now the same patterns are emerging again, with short-termism—the enemy of manufacturing—no real plan for growth, and no real plan to help South Yorkshire companies build for a better tomorrow.

David Simpson (Upper Bann) (DUP): Does the hon. Lady agree that, although we can reduce regulation and bureaucracy to help small businesses, one of the most difficult issues for them is the cost of energy? The Government have talked about the fuel stabiliser, which will be a vital component in helping small businesses at this time.

Angela Smith: I entirely agree with the hon. Gentleman. The Government's current, very rushed, consultation on energy market reform could add significant extra burdens to the intensive energy-use industries that predominate in my constituency and could make them incredibly uncompetitive internationally.

Given the latest growth figures—or should I say shrinkage figures?—we need more than ever a plan for growth that invests in industry and helps to rebalance the economy away from the financial services and property speculation model that was built not by the previous Labour Government but by the Thatcher Government of the 1980s, with big bang and all the rest of it. I hear nothing about that planning from those on the Government Benches. All I hear is mixed messages and talk that is all about pleasing elements within the coalition rather than what is good for UK plc.

I know that it has been mentioned many times in this Chamber, but the story of the loan to Sheffield Forgemasters typifies all that is going wrong with the Department for Business, Innovation and Skills.

Mr Binley: Is the hon. Lady aware that the Secretary of State has said that he is more than happy to receive a further application from Forgemasters?

Angela Smith: In that case, why did he not give the loan to Forgemasters in the first place?

The damage of the withdrawal of that loan has been done. The costs have already gone up and made life very difficult for the future of the nuclear supply chain in this country. As everyone knows, the loan—yes, loan—was evaluated over a two-year period. The conclusion was that the loan made sense for Forgemasters, was good for the nuclear power industry supply chain, and was strategically important for UK manufacturing. Why, then, was the loan cancelled at the whim of Ministers and the real reasons never fully explained? We need an explanation from the Minister today. Was it because the Lib Dems—the coalition partners—do not believe in nuclear power and had to be dragged kicking and screaming into a nuclear power supply arrangement for the future? We need to know, because it has been demonstrated time and again that the money was available and was properly signed off by the Treasury. That is the crux of the problem with how the Department is being run at present. Why should any company take the risk of investing in the future of our nuclear power industry when there is no clarity from the Government on the issue? I ask the Minister to clarify what role the Department is playing in pushing the future of our nuclear supply industry in the Government's planning for the future.

During the previous Parliament, the then Government's industrial activism started to help key industries of the future to ensure that our economy would be better balanced between financial services and manufacturing. Unfortunately, the current Secretary of State and this Government have failed to build on that work. Yes, we have heard tough words from the Secretary of State about how he will get the banks to lend money, how he will stop the bonuses, and how he has an arsenal capable of making nuclear strikes, if necessary, against vested interests. Unfortunately, his tough words melted away with the snows of December, and his arsenal of nuclear weapons turned out to be as intangible as a Lib Dem promise—in other words, it did not amount to very much.

Even the Secretary of State has said that his plans for regional growth are "Maoist and chaotic", and business leaders have said that the process has been badly handled. At a time when the Government tell us that money needs to be directed towards investment, they are scrapping the RDAs, at a cost of £435 million, and their replacement local enterprise partnerships are not even up and running yet. Increasingly, businesses are asking us what is happening in the meantime and where the money is for investment.

The truth is that, at a time when the regions need greater help to grow their economies, the regional growth fund represents a cut in funding from the £1.4 billion a year that was available to £1.4 billion over three years. So much for the boasts from those on the Government Benches on this issue. The fund now includes investment not only for industry and regional development, but for housing and transport—no wonder it is 10-times oversubscribed.

Now is the time for brave Ministers and brave solutions. Now is the time, as Will Hutton recently commented, to build great companies. Now is the time to make the banks work for us, and not in the interests of the bankers. Now is the time to invest in all our futures and in UK plc. Instead, we have a weak Secretary of State who cannot even hold on to his portfolio, and no

[Angela Smith]

growth strategy other than a crossing of the fingers and a "hope for the best". There is a regional growth strategy that even he thinks is chaotic. He can change course—it is not too late. He can decide to invest in British manufacturing. After all, he is a Lib Dem and, as we all know, Lib Dems can change their minds and do so frequently.

2.41 pm

Mr Brian Binley (Northampton South) (Con): Today has been a revelation to me. I understood that denial was a medically treatable condition, but I did not know that it was a collective condition. Today has opened my eyes in that respect. The denial is best illustrated by the shadow Chancellor's recent statement:

"I don't think we had a structural deficit at all".

By golly, we have had a deficit every year since 2002. Indeed, it rose massively to the point when, in 2010, we were borrowing £1 of every £4 we spent. If that is not a structural deficit in anybody's book, I do not know what is.

This matter is best understood by recognising the growth in public sector employment of 20%. More than 1 million new people now work in the public sector. That productivity barely rose in some areas and went down in others shows how successful that was. That is an unbelievable fact that any businessman would say is the road to bankruptcy. That is exactly what the previous Government did to this country. Thank God we had an election and a change of Government.

I will move on to other areas in which the previous Government let down British industry. First, let us consider employment tribunals. When I was in business, I stood in four tribunals and won each of them. On each occasion, I was told by colleagues, "Pay 'em." The previous Government created an aura of commercial blackmail that is totally unacceptable. Thank God the present Government are doing something about that.

Mel Stride: Does my hon. Friend agree that it is essential that we do something about claims to employment tribunals, which increased by 57% in 2010? They are feeding lawyers and depriving businesses of investment.

Mr Binley: My hon. Friend is right. There were 236,000 cases last year—a record figure. That suggests that something needs to be done. This Government are doing something about it and I am grateful.

The cost burden of regulation on business increased by £10 billion a year under the previous Government. That money could have been used for investment, but instead it had to be spent on complying with regulation after regulation, which the previous Government had gold-plated.

Nadhim Zahawi: My hon. Friend has a long and respected record in business. Does he agree that there is a lack of recognition that regulation is one of the major factors that holds back small business, along with access to finance? The lack of the word "regulation" in the motion demonstrates the lack of understanding among those on the Opposition Benches of the pain of small business.

Mr Binley: I am grateful to my hon. Friend. I am delighted that he is a member of the Select Committee on Business, Innovation and Skills, because he brings such knowledge to it. Perhaps with his help, we can get the changes we need to ensure that small businesses thrive in this country again. They have found it very difficult over recent years.

The working time directive was introduced in 1999 and has cost businesses £1.8 billion a year. The vehicle excise duty regulations introduced in 2000 cost businesses £1.2 billion. I could go on. I refer Opposition Members to the words of David Frost, the director general of the British Chambers of Commerce:

"Businesses are facing the toughest economic environment for a generation. Company cash flow is being squeezed and unemployment is growing as a result"

of regulation.

Let us lay that at the door of Opposition Members and let them deny it.

Let us consider the plethora of schemes that the previous Government introduced with a shotgun effect. They were all good headline-catching schemes, but they forgot one thing. Often, it is not what one decides to do that matters within a given set of parameters, but the way that it is managed. Of course, the previous Government did not know anything about management, because most of them had not turned a penny in the real world in their lives. That experience is vital in understanding small and medium-sized businesses, as I can tell them and as the British Chambers of Commerce has told them. The number of companies helped by the enterprise investment scheme fell from 2,379 in 2001 to 1,073 in 2008. It ceased to be effective to a considerable degree year by year. That underlines the fact that it needed to be managed properly.

I could talk about many other areas in which the previous Government failed the people of my constituency sizeably, but I want to make one particular claim, which is supported by information in the Library, so nobody can jump up and question it. The number of unemployed claimants in my constituency rose to 3,460 under Labour. That is 7.4% of the economically active working population. In 1997, my constituency was only 440th among the 630 or so constituencies in terms of the highest proportion of claimants. It rose to 132nd under Labour. There was such a big effect in Northampton, because 94% of the people who are in the private sector work in small and medium-sized businesses. That is how much the previous Government helped my constituents.

As I have said, I could go on. I could talk about a number of schemes, but time is limited. The truth is that the manufacturing industry is beginning to grow. My town has the fastest rate of employment growth in the country. That has only happened since this Government came to power. They have created a new confidence and a new belief that we have a Government who help small and medium-sized businesses. David Noble, the chief executive of the Chartered Institute of Purchasing and Supply, said:

"UK manufacturing steamed ahead in January as the sector continues to expand quicker than even the most optimistic amongst us could have predicted. As well as improved market conditions abroad, demand in the UK market also showed signs of growth. This is the much needed kick start to 2011 everyone in the sector was hoping for. A very different picture from last year."

That message will be repeated by small businesses in my constituency again and again. I have one plea, however: they need help from this Government, and they need more cash to help sustain the growth agenda. It is not happening, and I ask the Secretary of State to ensure that we put our money where our mouth is. If we do not, the growth agenda will be much more difficult to sustain.

2.50 pm

Mr Mike Weir (Angus) (SNP): I am very pleased to follow a typically robust speech by the hon. Member for Northampton South (Mr Binley). I assure him that I ran a small business before coming into the House, and it is small businesses on which I wish to concentrate.

Many Conservative Members have talked about what has been done for small businesses, and they have mentioned the reduction in corporation tax. That is fine, but I remind them that very many small businesses do not pay corporation tax, because they are self-employed individuals or partnerships. They pay income tax, so a reduction in corporation tax does not in fact help them. They are suffering as much as anyone else who pays income tax.

I also note that towards the end of Labour's time in government, Her Majesty's Revenue and Customs made the situation slightly worse by examining small companies and deciding that many of them were not real companies, because they were operated by a husband and wife. They therefore had to come back out of the corporation tax system and pay income tax again. Many people are not being helped by what the Government are doing on corporation tax, so I ask them to consider how those people can be helped.

Lorely Burt: I am glad to inform the hon. Gentleman that we are indeed examining a lot of those issues, particularly the vexed issue of IR35, which the previous Government did not manage to sort out. It is difficult to do so, but I am sure it is not beyond the wit of man to make tax fair for all small businesses.

Mr Weir: I hope that is correct—but action is needed, not just talk. The situation has been going on for a long time, and many small businesses in my constituency and rural constituencies throughout the country are in serious difficulties and struggling to keep their heads above water. They need help now, and the Government have to move on that.

The motion mainly concerns growth in the economy, which I understand, and I wish to talk about some of the things that small businesses need in order to grow. Many of the points in the motion are specific to England, but I wish to mention two matters that cover all small businesses, including in Scotland.

The Minister may know that, just today, the First Ministers of all the devolved Administrations have issued a joint declaration calling for action to protect the economy. The second point made in it is about addressing access to finance, and it states:

"It is clear that securing affordable finance remains a considerable challenge for many of our companies. This is particularly true for many small and medium sized firms—the bedrock of the Scottish, Welsh and Northern Irish economies.

It is unacceptable that many businesses are being prevented from expanding or are faced with significant increases in lending charges and we need to ensure there is in place transparency and accountability in the flow of finance for SMEs. We must also ensure that the planned £1.5 bn Business Growth Fund is implemented now to support lending to viable companies."

That is the vital point. Many companies in my constituency are finding it very difficult to access finance, and even when they can, it is at a high cost. At a time when the Bank rate of interest is 0.5%, probably the lowest in recorded history, it is ludicrous that small businesses are having to pay ever-higher charges to banks to get finance, if they can get it at all. It is worrying to small business people to read daily in the papers that the Monetary Policy Committee is being pressed to raise the interest rate to deal with fears of inflation, because that would hit small businesses seriously.

For all the talk of making banks pay more to small businesses, there is no sign of that actually happening. The mood music from the Davos summit, which the Prime Minister and the Chancellor attended, appeared to be that the banks are not interested in that any more. They seem to think that they have got through it all and can get on with business as usual, which is totally unacceptable. The issue has to be tackled now. My constituents do not understand why so much taxpayers' money bailed out the banks yet they are unable to get finance and help local employment. The banks have a duty to help the people who helped them when they were in trouble.

Anne Marie Morris (Newton Abbot) (Con): Perhaps I could draw to the hon. Gentleman's attention the fact that I had a meeting yesterday with the business finance taskforce of the British Bankers Association, whose chief executive told me that its 17 initiatives to support lending are on track. Indeed, mentors are beginning to be recruited and the lending code is almost in place. The business growth fund is pretty much ready and just requires some changes in FSA regulation. I hope that that provides some comfort.

Mr Weir: Again, we hear, "It is almost there, it is coming", but it is not here. Help is needed now. The Merlin process seems to have stalled—we were told that there would be announcements, but they have not come. If they do not come soon, it will be too late for many businesses.

I turn to the second point that I wish to discuss. I agree with the Secretary of State that it is ridiculous that there is no mention of the Post Office in the motion. I tabled an amendment to that effect, but Mr Speaker did not select it. I suppose that, to be honest, it is unlikely that the Secretary of State would have supported it even if it had been selected.

If we are talking about growth, we have to remember that a postal service is an engine of growth for many small companies. Many of them are very worried about it. This morning I chaired a session of the Westminster eForum at which we talked about Royal Mail's universal service obligation. It was interesting to hear the Federation of Small Businesses say that when the Government initially talked to it about privatisation, it was given assurances that small businesses would be okay and that their interests would be looked after. However, it is becoming increasingly worried about what is happening. It points out that in April, first-class mail will go up by 12%, large letters by 13%, a 2 kg parcel by 8% and a special delivery by 8%. Worse still—I find this utterly

[Mr Weir]

ludicrous—a business that currently goes to a sorting centre to collect its own mail will apparently be charged £210 for the privilege of doing so. Where is the logic in that? What on earth is going on?

I urge Members to read, if they have not done so, Postcomm's research paper "Business customer needs from a sustainable universal postal service in the UK", which was published towards the end of last year. It makes very interesting reading about how small businesses see the postal service.

Mr Binley *rose—*

Mr Weir: Sorry; I have taken two interventions.

Many small businesses continue to use the post, as they do not have the ability to get the special deals that are available from other carriers. Of those that spend between £100 and £500 a month on mail, which include the smallest businesses, 72% have either stayed at the same level of Royal Mail usage or increased it in the past year. Many businesses see e-fulfilment, as I am told we have to call it, as a way to extend and grow their business, but they need access to the postal service. Many are becoming increasingly worried, as I am, about what will happen to the universal service after privatisation. They see a reduction in service as meaning that they will be unable to access business at a reasonable cost. The changes that are already coming in show that that cost will go up and up, at a time when businesses are already suffering from fuel price increases. They have been hit all ways, and action is needed now to help them.

2.59 pm

Gavin Williamson (South Staffordshire) (Con): I share some of the incredulity of my hon. Friend the Member for Northampton South (Mr Binley) at Opposition Members' apparent total denial of the fact that their party was greatly responsible for the catastrophic economic situation that it bequeathed the coalition Government.

I remember talking to a gentleman from a trade organisation who told me that the problem with the previous Government was that they were obsessed with presentation and constantly wanted to change the names of the Department, but did not consider the problems affecting business. I am shocked that a Department led by Lord Mandelson would be more interested in presentation, marketing and publicity than anything else.

Mr Binley: I am incredulous that my hon. Friend was surprised at that fact.

Gavin Williamson: I put it down to the naivety of youth. Hopefully age will make me wiser.

Alison McGovern: Will the hon. Gentleman therefore explain, for the benefit of the House, why one of the Government's first acts was to change the name of the Department for Children, Schools and Families to the Department for Education?

Hon. Members: That's what it is!

Gavin Williamson: As hon. Members say, the name was changed to the Department for Education because that is what it is. I am very proud that the Department for Business, Innovation and Skills is not about to change its name again for about the fourth or fifth time in as many years.

While the Labour Government focused on name and branding, they ignored the importance of our manufacturing base, which is much talked about. As has been pointed out, 4.3 million people were employed in manufacturing in 1997, but only 2.5 million were employed in 2010. That is a catastrophic decline. Opposition Members might say that there was an increase in output, but the reality is shown in OECD figures. In the industrial sector, which covers manufacturing, mining and energy production, UK gross value added was 25% in 1997—the same as in Germany. However, the figures for 2008, which are the latest figures, show that gross value added was 26% in Germany, but only 18% in the UK. That is decline in anyone's judgment, and it is the dreadful legacy of Lord Mandelson, the Labour party and their inaction.

Tom Blenkinsop: Is the hon. Gentleman aware that in 1987, 26,000 worked at British Steel and Redcar Teesside Cast Products, but by 1992, fewer than 5,000 worked there?

Gavin Williamson: I was unaware of that but I thank the hon. Gentleman for saying so. We need a revival of all manufacturing, right across the country.

Opposition Members might say that lower corporation tax will not encourage growth, but actually, lower taxes do encourage growth. They encourage people to invest in this country, and encourage people both in this country and abroad to bring jobs and investment here.

I welcome the Government's move to introduce the enterprise allowance, which will encourage those who are unemployed to create new jobs and to seize the opportunity to create wealth.

Neil Carmichael (Stroud) (Con): My hon. Friend makes some fascinating points. I am amazed that we are talking about the machinery of government. I would like to focus on something on which the Department is doing a fantastic job: improving our skills base. That is an area that really needs attention. If he is right about manufacturing, I am certainly right that we need to ensure that we have the right people to employ in a growing manufacturing sector, and it is important also—

Gavin Williamson: I thank my hon. Friend for such a—

Mr Deputy Speaker (Mr Nigel Evans): Order. Will the hon. Gentlemen resume their seats? There is a time limit on speeches, and also a time limit on interventions—it is called "short".

Gavin Williamson: Thank you, Mr Deputy Speaker. I also thank my hon. Friend the Member for Stroud (Neil Carmichael) for making such lucid points.

My hon. Friend is right about training and giving business the freedom to succeed—freedom from regulation. That is why I pay tribute to Ministers in the Department. They have introduced a one-in, one-out policy on regulations —or I very much hope they will do so shortly. I would

encourage them to be bolder, and certainly to be bolder than the Labour Government, and to make that a one-in, two-out policy. Let us be bold. Let us free industry from the shackles of government.

The hon. Member for Penistone and Stocksbridge (Angela Smith) made a valid point on intensive users of energy. We must be wary of environmental regulation. If we are not careful, we will ship business from this country to countries such as Ukraine, which do not have a care for environmental regulation. We will not just be shipping carbon abroad; we will also ship jobs. I ask my right hon. and hon. Friends on the Treasury Bench to bear that in mind.

The hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) made the valid point that we need to encourage jobs right across the manufacturing sector. We must be careful with all regulation, but especially with environmental regulation.

Opposition Members sometimes seem not to accept the fact that businesses do not always want to be involved in the intricacies of government. Businesses want the freedom to get on, but they need help with financing. There is a real squeeze for many small and medium-sized businesses in getting the finance that they need. The Black Country Reinvestment Society helps many SMEs in my constituency and much of the black country, including new businesses. It uses small amounts of capital to give those businesses the opportunity to grow and expand. I encourage Ministers to look at the model to see how it can be expanded across the country.

I also encourage Ministers to look at the German model. Many German banks do not simply lend to businesses and provide mortgages and banking facilities; they actually take an equity stake in the businesses. That stake means that they have a long-term vision for those businesses. More support, rather than more interference, is what is needed in this country.

Businessmen do not want a constant dialogue with civil servants and politicians. They want and need low taxes, low levels of regulation and most important of all, a stable economy. I encourage Ministers not to think that more government will lead to more business, but to think that less government will lead to more business.

3.7 pm

Jack Dromey (Birmingham, Erdington) (Lab): When times are tough, it is all the more important for the Government to have a strategy for growth. That is why the Labour Government, at a time of global crisis, invested in the economy to get it moving, with enormous benefits for our manufacturing base. The car scrappage scheme was warmly welcomed by the Society of Motor Manufacturers and Traders because 400,000 cars were built. The stimulus package in the construction industry was warmly welcomed by everyone from the National House-Building Council to the Home Builders Federation. Some 110,000 homes were built, and 70,000 jobs and 3,000 apprentices were created or saved.

The Government inherited a growing economy when they took power, but they have slammed on the brakes, and the economy has gone into reverse. Let me give three examples. First, 10% of our gross domestic product growth comes from construction. The construction industry was growing in the first half of 2010 as a consequence of the steps that Labour took in government, but in the last quarter of 2010, it fell by 3.3%. The construction industry and house builders are increasingly concerned about the consequences of the Government's actions in respect of everything from cuts in capital investment to the scrapping of regional spatial strategies. Two hundred thousand planned homes will not now be built, which is why the Federation of Master Builders, which represents SMEs in the building industry, predicts 11,000 job losses, and why the Construction Products Association predicts a 2% fall this year.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Is my hon. Friend aware that one of the major concerns of the construction industry is skills training and whether it will have a skilled work force for the future? Labour worked to increase the number of apprenticeships vastly, and it is welcome that the Government have made a similar commitment. However, it will not be sufficient to meet the future demand of the construction industry, especially in a low-carbon economy.

Jack Dromey: I agree with my hon. Friend. Representatives of the construction industry who have come to see me have said with one voice that the danger in what is now happening is that capacity is going and vitally needed skills are being dispersed and, in the event of recovery, they would no longer be available.

My second example comes from local government, which has had 27% cuts, frontloaded by the Secretary of State. The impact will be enormous, and it is already clear from the Local Government Association that 140,000 jobs will go in local government. But as PricewaterhouseCoopers has said, for every job that goes in local government, a job will go in the private sector. Local government's procurement budget is £38 billion. Some £20 billion goes to SMEs, so the impact of these savage, deep and frontloaded cuts will be catastrophic for SMEs that depend on local government throughout Britain.

Anne Marie Morris: Is the hon. Gentleman aware that the Reed job index went up nine points in January, and that the growth is in engineering and construction?

Jack Dromey: With the greatest respect, I am not sure what planet the hon. Lady lives on. The figures on the economy are clear: the Government inherited a growing economy, but it has now stalled and gone into reverse.

My third example relates to the abolition of the regional development agencies. Thirty years ago, the midlands used to be one of the two strongest economies in the country, but it is now one of the two weakest. We had the most successful RDA, Advantage West Midlands, of anywhere in Britain. For every £1 of public money invested, £8.14 was produced in wealth in the private sector. Crucially and in addition, Advantage West Midlands managed shocks to the motor industry, such as the closure of Rover, and promoted the motor manufacturing cluster in the midlands. The cluster is 150,000 strong, from the prime companies through the components companies, the machine tool companies and the logistics companies, all the way down to the games companies with which Jaguar Land Rover is working right now on the next generation of in-car entertainment systems. That cluster, galvanised by Advantage West Midlands,

[Jack Dromey]

was one of the key reasons why Jaguar Land Rover last year decided to commit to Britain as its global hub and to invest £5 billion over 10 years, creating thousands of jobs and bringing wealth to our economy.

Mr Marcus Jones: The hon. Gentleman praises the RDA Advantage West Midlands. How does he square that praise with the fact that private sector employment in the west midlands fell rather than increased during the time that this RDA was in place?

Jack Dromey: I believe in the real world of work and in listening to the voice of the business community. There has been widespread concern and criticism from across the business community in the midlands about the abolition of Advantage West Midlands. Indeed, Business Voice WM, on behalf of the business community in the midlands, has put forward a proposal that stresses the importance of maintaining a regional strategic structure if the success of that motor manufacturing cluster is to continue.

Lorely Burt: The hon. Gentleman's experience of the business community in the west midlands is not mine. I have found that the business community has been excited about the prospect of taking its destiny in its own hands, together with elected representatives from the local authority, and creating a forward-thinking local enterprise partnership.

Jack Dromey: Again, with the greatest respect, I am not sure which business community the hon. Lady is talking about. All five of the organisations that represent the business community in the midlands have told me that they are determined to try to make the best of a bad job, following the abolition of Advantage West Midlands, and make the LEPs work, but they are dealing with confused and competing voices. The LEPs have no statutory basis and no funding at a time of major local government cuts. Those organisations are increasingly despairing, because they have lost what worked in favour of something that, at the moment, looks like it will not work.

I listened with amazement to the arguments which in effect said that the Government should get out of the economy and industry. Anyone who has ever had anything to do with the real world of work, here in Britain and in France or Germany, knows the simple truth that the role of good government is key to a successful economy. Time and again over the years I have worked with the private sector and engaged with the Government to try to get them to do the right thing—such as the scrappage scheme and the stimulus scheme that kept our house building industry from collapse.

In the next stages, I hope that Ministers will recognise the value of partnership and industrial activism, and will make the right decisions. Jaguar Land Rover is making applications, under the regional growth fund, on both the lightweight platform and the small engine. Investment in those will create tens of thousands of jobs in Britain. Warwick university's proposal to become a technology and innovation centre would make it the global hub for automotive research and development worldwide and is strongly supported by Jaguar. Investment in that would greatly strengthen the motor manufacturing cluster in the midlands.

Let us not repeat the mistakes of history. It was a tragic error of judgment not to agree the Forgemasters application. If we are to see a renaissance of the nuclear industry in Britain, with British manufacturing benefiting as a consequence, we should back Forgemasters.

3.16 pm

Mr Marcus Jones (Nuneaton) (Con): It is an honour to follow the hon. Member for Birmingham, Erdington (Jack Dromey) who has a very positive outlook on the current situation. I welcome the opportunity to speak in this debate. We should not underestimate the importance of getting economic growth back into our economy. We still face difficult economic times. We must not forget that we have had the worst recession since the second world war, with six quarters of negative growth. We are now suffering from the hangover from that, and from the debt inherited from Labour.

The deficit is one of the greatest barriers to growth. My right hon. Friend the Chancellor is right to stick to his guns on his deficit-reducing strategy. The IMF agrees: it has identified that insufficient progress with fiscal consolidation in the medium term would be a key downside risk to growth. We should all remember that.

The path to growth is likely to be rocky, but we must put the building blocks in place to rebalance our economy into a more sustainable and resilient model, based on a broader spread of industry, rather than put all our eggs into one basket. We must also listen to business. Before and after the election, business was looking for three things—lower taxes, less regulation and more bank lending. Some progress has been made by the new Government and there is far greater intent than there was in the past. But there is still some way to go.

I read today's motion with interest. It seems to hark back to a golden age in which the previous Government proclaimed the success of the RDAs. The former Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown), and his then Business Secretary toured the country handing out rubber cheques that no one ever mentioned in the Budget, and which could never have been cashed. Their tenure did not result in an enviable record. The RDAs were top-heavy, with £246 million spent on administration alone in 2008-09. That is not a record to be proud of. However, despite the RDA my region—the west midlands—saw a contraction in private sector employment. That does not make sense, because the RDA was there to promote private sector employment, not throw money into the public sector. Across the country we saw a reduction in manufacturing jobs of 1.8 million under the Labour Government. That is not a record to be proud of, nor is it a golden legacy; it is something that this Government have inherited and are having to deal with.

Let me turn to the coalition Government and the difficult balance that we are having to strike between dealing with the deficit and getting sustainable growth. Despite the Opposition's rhetoric, the coalition parties do have a plan for sustainable growth. There is a common theme or thread running through many policy areas. We have the LEPs, which are far more focused and business-led. I am sure that they will not be like Labour's talking shops, which disengaged business. In particular, the Coventry and Warwickshire LEP, with which I have been proud to associate myself, is doing a fantastic job promoting the Coventry and Warwickshire area. I look forward to the progress that it will make in future.

Nor should we dismiss the £30 billion of investment being pumped into our transport infrastructure, or the fact that the regional growth fund is bringing £1.4 billion into the economy to pump-prime projects such as those being considered at MIRA—the Motor Industry Research Association—on the A5 on the edge of my constituency, which will bring in £250 million of private sector investment and could create 2,000 jobs. *[Interruption.]* Opposition Members shake their heads. They obviously do not want such investments to be made. I am also encouraged by the way in which the Government have started to reduce red tape and regulation, with the one-in, one-out strategy, reducing gold-plating and introducing business mentors to help new businesses grow. All those measures will create jobs. I hope that when the Minister winds up he will elaborate on how we will expedite that process and ensure that it moves forward far more quickly.

I am also pleased that we are committed to reducing corporation tax, which we need to do to move all businesses forward. Lower taxes are a way of stimulating the economy, benefiting not just the banks, as Opposition Members have said. I am also absolutely delighted that my hon. Friend the Minister for Further Education, Skills and Lifelong Learning has introduced another 75,000 apprenticeships this year to close the skills gap left by Labour. We had to bring in labour from abroad to fill the skills gap when the economy was expanding, when we had many people here who could have filled it themselves. I have only a short time left, so I hope that when the Minister winds up he can give me more information on what is happening with bank lending, which is an extremely important part of the package. I know that the previous Government failed miserably on that, and that the new Government are grappling to get it right, but if the Minister can tell us what is happening, that would be very helpful for us to pass back to our constituencies.

To conclude, we do have a package for growth and we are moving it forward. There are areas where it needs to be moved forward more quickly—

Mr Deputy Speaker (Mr Nigel Evans): Order.

3.22 pm

Alison McGovern (Wirral South) (Lab): I am sorry that the hon. Member for Northampton South (Mr Binley) has left his place, because he made quite an accusation about Opposition Members, saying that we had no insights into the world of business. I have the greatest respect for the hon. Gentleman, but I will take no lessons from a party that is led by not one but two former special advisers—especially when the only experience in industry that one of them has comes from working in telly.

I want to say a few words about growth and, briefly, about the impact on young people of the circumstances that we face. Since the election I have visited a huge number of companies in my constituency and the Wirral, especially science-led, high-tech and efficient manufacturing companies. The message from those companies is universal and clear. The thing that they want to drive the growth of their businesses is investment. The question that I am often asked is: where is the Government action to improve investment in high-tech manufacturing? There seems to be some sort of ideological opposition from the Government to backing investment. The Chair of the Business, Innovation and Skills Committee, my hon. Friend the Member for West Bromwich West (Mr Bailey), mentioned research and development tax credits, and we have seen the sweeping away of investment allowances.

Tristram Hunt (Stoke-on-Trent Central) (Lab): Is my hon. Friend as surprised as I am that the Government's policy seems to be replicated only by Romania, which is countering recession by cutting investment in universities and science, whereas everyone else is adopting a counter-cyclical investment strategy?

Alison McGovern: I thank my hon. Friend for that intervention. As Bill Shankly used to say, "I'm only surprised that people are surprised at the surprises."

The *Liverpool Daily Post* said today:

"The scrapping of the Grants for Business Investment scheme will leave Merseyside companies seeking smaller amounts of investment aid with nowhere to turn...The flagship 'regional growth fund' currently only accepts applications for at least £1m—and its first round of bids was seven times oversubscribed. Local Enterprise Partnerships will have no funding."

So if the companies in my constituency did not believe that when I said it, they have now heard it from our local media too.

Margot James: The hon. Lady mentioned the science base and investment. The Business, Innovation and Skills Committee heard evidence yesterday from representatives of the aerospace industry, who said that they wanted to continue to invest in the UK because of our skills base. It is not just me saying that the Government are supporting science; the president of the Royal Society has complimented the Government on recognising the importance of Britain's standing in the scientific world. All savings from the science base will be reinvested back into science.

Alison McGovern: That is an interesting perspective, and I obviously have great respect for the learned people that the hon. Lady has mentioned—*[Interruption.]* Of course I have great respect for the Royal Society.

The Government cannot say that the corporation tax cut will enable investment. Ireland had one of the lowest corporation tax rates, and look what happened there.

Mel Stride: Will the hon. Lady give way?

Alison McGovern: I have given way twice; I will not give way again.

The corporation tax cut will help only companies with profits. We want to see strategic Government-led and business-led investment in the sectors that can most help us to progress out of the recession. I see no leadership from the Government on this issue. They constantly crow about tax cuts for business, but they have effectively handed profits back to the profitable bits of the banking sector and large companies, when they should be using that money to invest in high-technology manufacturing, such as that in my constituency. That message is coming to me loud and clear from the global corporations that invest in Merseyside, as well as from the small companies. They need investment now, not an across-the-board corporation tax cut.

[Alison McGovern]

I now turn to the impact of all this on young people and on employment. Everyone in this House is concerned about young people, as well we should be. People will know that in the protests that have been taking place around the world, the action has been most pronounced in countries with extremely high unemployment. We have to face the facts. The Government's offer to young people in Britain has been massively diminished. We have seen an end to the September guarantee and an end to the future jobs fund, which I know was helping young people in my constituency to build their CVs, so that when the recession ended and growth returned, they would be able to apply for jobs. We have seen an end to the education maintenance allowance, which was helping young people in my constituency to travel to the best possible courses for them, and an end to the commitment of the previous Government to the level of funding for further and higher education.

I was so concerned about what might happen to young people's employment prospects that I asked the Minister responsible for employment some parliamentary questions about his expectations for the number of 16 to 24-year-olds on the dole. By my calculation, once we have taken into account the population projection for the current cohort of 16 to 24-year-olds, the Government expect there to be a reduction in the number of 16 to 24-year-olds on the dole across the life of this Parliament of less than one percentage point. I must ask Government Members whether they think it is good enough that the Government's ambition throughout this Parliament is to reduce the number of young people on the dole by one percentage point. I do not think that is good enough.

The only answer that the Government seem to have to the unemployment that young people are facing because of the global crash and the Government's inaction is their spurious figure of 75,000 new apprenticeships. We have already heard evidence that, even during the recession, the Labour Government were supporting a greater year-on-year increase in the number of apprenticeships, so the present plan seems wholly unambitious.

There is a further problem for 16 to 18-year-olds, many of whom are the very people we want to get into industry and business. They might not want to stay in full-time education, for whatever reason. As far as I can ascertain—I stand to be corrected if the Minister wants to intervene—16 to 18-year-olds will not be eligible for the new adult apprenticeships that the Minister wants to fund.

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): We do not have much time, so I will be brief. The hon. Lady is right that 16 to 18-year-olds are not eligible for the 75,000 extra apprenticeships, which are based on the £250 million we have invested in adult apprenticeships, but my role in the Department for Education means that I have been able to secure money to allow for 30,000 more apprenticeships for 16 to 18-year-olds, making more than 100,000 in all—the biggest boost ever in the number of apprenticeships in Britain.

Alison McGovern: I am glad to hear the Minister's intervention; I have often found him to be a partner for peace on this subject. However, I still worry about investment in business and about business growth. Money might well be set aside, but we still might not see the increase in opportunities for young people that we need.

Let me leave the Minister responsible for further education and the Business Secretary with this final point. They must work with local government. In Wirral, the one thing that has made a real difference to apprenticeships and young people's employment is the Wirral apprentice scheme. It was funded with working neighbourhoods fund money via the local authority, which meant that that small and medium-sized enterprises could access support to hire apprentices. That is the one thing that has worked. Making local government suffer the biggest cuts in any part of government is not fair, and the impact will be worse on young people. I plead with the Secretary of State and the Minister—

Mr Deputy Speaker (Mr Nigel Evans): Order.

3.31 pm

Brandon Lewis (Great Yarmouth) (Con): Over the last few years, the thing that I have heard most from business—whether it be from the Federation of Small Businesses, the chambers of commerce or individual businesses that I have dealt with in my own business, as a parliamentary candidate or, for the past 10 months or so, as an MP—is that there is too much regulation. My hon. Friend the Member for Northampton South (Mr Binley) made the point extremely well earlier, and just how much of a predicament that poses for business growth cannot be underestimated. It really does hamper too many business men, particularly those in small businesses, who spend too much of their time dealing with regulation. They spend more time dealing with that and feeding back data than they ever do developing and selling their businesses. That has got to stop. I congratulate the Government on taking steps to deal with it.

Business is unlikely to thank the Labour party or Opposition Members for tabling this motion. When business people look through it, they will find that it contains nothing positive about either this country's business or what the Labour party suggests should be done about it. Perhaps we are back to the original blank sheet of paper; I suspect that it will stay like that for some time yet.

What business is more interested in is not the clunking fist of Whitehall that pulls a lever and delivers a box that it has to fit into—through some fictionally created regional development agency that was simply not delivering—but the opportunity to develop its own destiny. In my area, for example, the New Anglia local enterprise partnership is excited about the opportunities available for Norfolk and Suffolk businesses to work together. It is something that they desired, which they brought forward themselves, and it is led by the business community. This is not a Government quango or something directed from Whitehall, but something that the businesses want, working on issues that they want to work on. That is hugely important to the LEP. It is why organisations ranging from Adnams and the Federation of Small Businesses to the energy industry and companies such as Lotus are excited about what this can deliver. It has been fantastic to see businesses working together, and with local authorities, to deliver the LEP for our area.

The key is the "L" in "LEP"—local. The LEP can look at what Norfolk and Suffolk want and need. That is why it is able to focus correctly on tourism, for example, or other industries that can create jobs and develop the economy more quickly and more cheaply than almost anything else. Energy, as I say, is also hugely important to our region. The energy industry in our area is represented largely by an organisation called the East of England Energy Group, which brings together private companies, which fund it, support it and work together within it. The LEP has recognised that and is working with the energy industry.

One important shortage is skills. There is a huge gap between the demand for skills in the energy industry—we have a burgeoning energy industry, with even more to come from renewable energy and wind farms—and what is currently available. That is why I congratulate the Department and the Minister for Further Education, Skills and Lifelong Learning on the great work already done. As we have just heard, they are now delivering more than 100,000 apprenticeships for various ages. Potentially even more important is the fact that colleges will have the freedom to develop the skill sets that people need in their local areas to deliver for business.

The energy industry in my region has been screaming out for some time, but it has not been telling me about the great work that the RDAs were doing or thanking the previous Government for what they did. It has been saying, "We need freedom from regulation, and we need to be able to develop skills for the future." I urge the Minister and his Department to view carefully and sympathetically the bid from Norfolk and Suffolk for a skills centre that would focus particularly on the delivery of skills for the energy industry.

The Government's moves to free up colleges, create apprenticeships and invest money are enabling us to develop the skill sets that our country, and in particular my region, needs. It is that development of skill sets that will deliver growth, and it is that education and those apprentices that will enable our economy to develop. I congratulate the Department, and our Government as a whole, on the fantastic work it is doing in that regard. It is just a shame that the Opposition seem to have no ideas of their own to take us forward.

3.35 pm

Chris Leslie (Nottingham East) (Lab/Co-op): As only a few minutes remain before the winding-up speeches, I shall be able to make only a limited number of points. I pay tribute to my right hon. Friend the Member for Wolverhampton South East (Mr McFadden), who summed up the Department's current problem succinctly. Its problem is that it focuses on commentary and has no focus on delivery. It is a backward-looking Department.

Something obviously happened to the Secretary of State, once a great champion of intervention, during his transmogrification as he took public office. *[Interruption.]* My hon. Friend the Member for Wrexham (Ian Lucas) suggests that the Secretary of State's political motives may have changed. In any event, he lost all sight and knowledge of the role that stimulus can play in our economy, and returned to the laissez-faire approach that his new-found friends have always adopted. He has no plans for growth. He ran through a number of analytical critiques of the previous Administration, but at no point did he reveal a strategy of his own to boost jobs and growth in our economy. That is a great pity.

I shall make two points in the short time available to me. The first concerns the economy beyond Twickenham—the economy that exists out there in the rest of the country. Notwithstanding all the criticisms that Government Members may make of regional development agencies in their particular form, it was not necessary to put in the bin all the programmes, grants, loans and interventions and all the legal powers that were at their disposal at such a critical time for growth in our economy. Unfortunately, our growth rate does appear to be faltering. I am not sure that that can be attributed entirely to such measures as the scrapping of RDAs, but there is no doubt that RDAs brought with them an acumen, and an ability to intervene and engage in dialogue with business, that we are missing as they begin to wind down.

Others have mentioned schemes such as the grant for business investment and regional selective assistance, which invested a significant amount in about 50 companies in Nottinghamshire and created an enormous number of jobs. Every pound that was invested produced £9 worth of growth. I urge the Department to think again about its lack of regional growth policy: it is essential that they return to that mode.

The second point that I wish to raise in the couple of minutes that I have left relates to the Department's failure to tackle the banking crisis properly. Only about 12 months ago, the Secretary of State made a number of fine promises to the country. He said that he would insist that bankers were transparent about executive remuneration. Just 14 months ago, he told the *Daily Mail* that it was "a small advance"—I believe that he used the word "whitewash"—to make executive pay of over £1 million transparent purely on the basis of the numbers involved. That, he said, was a puny act. He said:

> "Shareholders who own the banks and the taxpayers who guarantee them have every right to know who is being paid how much and for what... Directors of public companies are already required to declare their earnings... The failure of Walker to grasp this is compounded by Alistair Darling's meek acceptance of his recommendations. There are splits in the Government... Taxpayers sign the bankers' bonus cheques – so we must see the names and numbers on them."

The Secretary of State's own words are coming back to haunt him. It would be tragic if his emasculation in government meant that his diminishing power slipped further as he moved down the Cabinet table. It is important that he meets that weakness test. I hope that he will find a way to strengthen his position in government and take some action on the basic measures that we need to increase transparency in our economy.

3.40 pm

Ian Lucas (Wrexham) (Lab): The shortness of time available means that I will not have the opportunity to refer to all Members in my summing up of this debate. It has become better humoured as it has progressed and although that is perhaps unusual, I hope that it will continue. I particularly thank my hon. Friend the Member for West Bromwich West (Mr Bailey), the Chair of the Select Committee, for his contribution, which made mention of Sir Richard Lambert's statement that the

[Ian Lucas]

Government have "failed to articulate" their vision for growth. That was the case before his speech, but I regret that they have failed to articulate their vision for growth again today. My right hon. Friend the Member for Wolverhampton South East (Mr McFadden) made a particularly valuable contribution, pointing out that £2.8 billion has come out of capital allowances for manufacturing industry and £2.7 billion has gone into the rest of the economy, including a tax cut for bankers. Bankers were mentioned regularly in the debate.

The hon. Member for The Cotswolds (Geoffrey Clifton-Brown) made an interesting contribution, in which he referred to investment and the issue of visas. That continues to be a problem, notwithstanding the efforts that the Secretary of State has made. The important issue of foreign direct investment was also raised. The hon. Member for Angus (Mr Weir) made the valuable point about individuals and partnerships that do not pay corporation tax and therefore do not benefit from tax cuts of that nature. We need to examine ways in which those individuals and partnerships can benefit from support. Investment in business is very important indeed, a fact stressed by the hon. Member for South Staffordshire (Gavin Williamson) in a valuable contribution. I particularly enjoyed the contribution from my hon. Friend the Member for Wirral South (Alison McGovern), who introduced Bill Shankly into the debate. I have to say that the late, great Bill Shankly's views on economic growth were much more coherent than the Secretary of State's.

Last week's growth figures were truly shocking. When Labour left office, growth was increasing and unemployment was falling. The net result of this Tory-led Government's policies has been to create conditions where the economy has contracted and unemployment is rising. In 2008, the Labour Government faced the most severe world economic crisis since 1929. Their response was to introduce a number of policies to support industry and jobs, and they acted fast. They gave business more time to pay taxes. They introduced an enterprise finance guarantee scheme to assist lending to business, and a car scrappage scheme to support our automotive industry at its most difficult time. They also used Train to Gain to help businesses to invest in training. Not one of those initiatives was opposed at the time by any of the parties now on the Government Benches; on the contrary, the criticism that I received at the Dispatch Box was that our Government were not spending enough money fast enough. So all the tears that we see at the moment do not reflect the position of the parties now on the Government Benches when they were in opposition.

As well as providing effective help fast in the short term, Labour's active industrial strategy helped to create the right conditions for industry to grow—that growth was the legacy of the Labour Government to this Tory-led Government. We married research with industry to create the right conditions for investment. We got investment from Nissan and Toyota in low-carbon vehicles, and from Clipper in offshore wind. We obtained investment and support for institutions such as the National Composites Centre in aerospace, with companies such as Airbus, Agusta Westland and GKN plc being involved. That response was led by a Business Department that was at the heart of government when it needed to be. Growth took place and the deficit, about which we have heard so much from those on the Government Benches, came in £20 billion less because of the action taken by business and by Government to reduce the crisis that faced this country in 2008.

Let us contrast that with the lack of urgency and complacency of this Government. In their hallowed coalition agreement, they said that they needed "to take urgent action", but they have not done so. Nine months on, we have no major loan guarantee scheme and no effective proposals to ensure a flow of credit for SMEs. That point has been made across the House and it is about time Government Front Benchers started to listen. The only step that they have taken on finance is to extend the Labour enterprise finance guarantee scheme. We have had no growth White Paper, and the Maoist and chaotic establishment of local enterprise partnerships means that those who should be working to bring jobs to British industry are looking for jobs themselves. The university sector that is so crucial to our long-term future is, after a decade of increased investment, wrestling with the consequences of an 80% cut in its budget.

At a Federation of Small Businesses dinner last night, I was asked, "What has happened to the one-in, one-out rule?" What are the Government doing about it? We have had the soundbite, but when is the policy going to be implemented? That is what businesses are asking me. The Secretary of State was at the dinner last night, so I hope he heard that, too. I was talking to people from the chemical industry yesterday and they told me about the negative impact on business of the Government's new visa regulations. Similarly, research from the Federation of Master Builders tells us that the VAT increase will cost 7,500 jobs in the construction sector alone. That is the sort of contribution that the Government are making to industry at this time. As the Secretary of State has said today, increased taxes cost more jobs than cuts in expenditure. That is absolutely right, so why did he increase VAT?

To cap it all, responsibility for one of the most successful and important industrial sectors in the United Kingdom—telecommunications—has been transferred out of BIS because of the Secretary of State's incompetence. This very morning, I was asked by telecoms representatives if the sector will be transferred back to BIS when the Secretary of State leaves. Perhaps he can answer that. There is no clearer symbol of the diminution of the Department than that transfer of responsibility for a major sector of the industrial economy. It is a disgrace and it will have a detrimental effect on British business and British industry as a whole.

Andrew Bridgen (North West Leicestershire) (Con): Will the hon. Gentleman give way?

Ian Lucas: No, I will not give way.

The Department for Business, Innovation and Skills is at the margins at the very time when it needs to be at the centre of Government policy—and it loses battles. It has lost a battle with the Department for Communities and Local Government about planning, it has lost a battle with the Home Office over visas and it has lost a battle with the Treasury on banks. It is a Department diminished in influence and it is failing and letting down business. For the sake of British industry it needs to change and it needs to change fast.

3.47 pm

The Minister for Universities and Science (Mr David Willetts): What a dismal picture of the business of government the hon. Member for Wrexham (Ian Lucas) has just painted. He thinks that all we should ever do is wage war with our own colleagues in order to raise the growth rate. That might be how the Labour Government functioned, with everyone having to fight their own corner against all the other Departments, but it is not how the coalition Government function. We all work together on an agenda to sort out the mess we were left by the previous Labour Government and the only way we can sort out a mess that big is if all the Departments share the same agenda—and we absolutely do. That agenda has business and being pro-business and pro-growth at its heart.

Let me take hon. Members through the measures we are introducing that are aimed absolutely at backing British business and raising our growth rate. For a start, we are reforming corporation tax, bringing the main rate down from 28% to 24%, making it one of the lowest rates in the advanced western world. We have already eased the burden of national insurance on British business by £3 billion and we are specifically helping small businesses. Several colleagues, including my hon. Friends the Members for Brighton, Kemptown (Simon Kirby), for Northampton South (Mr Binley) and for South Staffordshire (Gavin Williamson), have raised the issue of small businesses, to which we are committed. There is the scheme that the hon. Member for Wrexham mentioned, which we inherited from Labour—the enterprise finance guarantee scheme—which helps small businesses. We have put an extra £600 million into it so that there is extra lending to small businesses. In addition, we have created the new enterprise allowance scheme, aimed at helping unemployed people to get work as self-employed. Of course, we know that one of the biggest problems that small businesses face is the burden of employment regulation, which is why we are committed to reforming employment tribunals—to give small businesses confidence to take on new staff.

Of course we are committed to bringing down the burden of red tape. We are absolutely committed to the one-in, one-out rule, and we are also ending the gold-plating of regulations from Brussels that add completely unnecessary burdens to British business. We are committed to well-balanced regional growth, which is why we already have 28 local enterprise partnerships going. They already represent two thirds of all businesses across the country. There is a regional growth fund with £1.4 billion to invest on excellent projects across our regions.

Yes, we are absolutely backing growth and we are tackling the fundamental weaknesses that we inherited from the Labour Government, such as insufficient investment in infrastructure. That is why we have produced a national infrastructure plan, with a green investment bank and £1 billion for energy-efficient investment, with more to come as asset sales come through.

We are committed to trade and to ensuring that Britain is open for business. I can tell my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown) that we absolutely understand that and we will be setting out in our trade policy White Paper, which is due very soon, the overall framework of trade policy. We do not believe that LEPs should automatically be held responsible for trade policy. Inward investment will be a responsibility of UK Trade & Investment, but if LEPs wish to work with UKTI on that, they are welcome to do so.

Mr Tom Harris (Glasgow South) (Lab): Will the Minister give way?

Mr Willetts: No, I shall try to make progress.

We have taken a deliberate decision to focus our trade activity on the big, growing economies of the future—Brazil, Russia, India and China. My right hon. Friend the Secretary of State has already personally led trade missions to all four of those growing economies—crucial markets for the future. So yes, we are absolutely battling for Britain in trade talks.

Geoffrey Clifton-Brown: I made this point in my speech: we should be concentrating not only on the BRIC countries, but on other fast-growing markets such as Indonesia and Turkey, and I seek the Minister's assurance that we will do that.

Mr Willetts: I intend, time permitting, to go to Indonesia, where we have some specific trade objectives, and I think the Secretary of State plans to be in Turkey, so we recognise those countries' importance. All of us, working with Lord Green in the other House, have trade promotion at the top of our agenda for this Government.

I have referred to the burden of tax, the burden of regulation, our support for small businesses, infrastructure and trade. There is also the crucial investment in the skills that we need for the future. Again, we inherited a mess from Labour. Many Members on both sides of the House will remember the disappointment when further education colleges, having had their hopes raised that there would be billions of pounds for capital projects, found that the money ran out. Labour's problem with further education was that the money ran out even before the election, so Labour Members were holding the baby. They know the situation they left us.

Mr Harris: The Minister has outlined the impressive growth strategy being pursued by this Conservative-led Government, which has resulted in a 0.5% contraction in the economy. What would that have looked like without his growth strategy? What would have been the result if we had been deprived of that strategy?

Mr Willetts: We do not know what would have happened to the British economy if the Labour party had been in office, but I tell the House that if Labour had carried on borrowing in the way it was, we could well have faced a crisis of the kind that happened in Ireland, Greece and Portugal. We will never let Labour Members forget that they were taking Britain to the brink of that type of financial crisis. We have taken our country away from it.

I was about to refer to the investment that we are also making in skills, with support through the capital renewal fund for our FE colleges, steered by my hon. Friend the Minister for Further Education, Skills and Lifelong Learning, and a commitment to 75,000 extra apprenticeships. We can already see the impact of our commitment on apprenticeships: in the first quarter of the year, we had 120,000 new apprenticeship starts, while a year ago, at the same moment, the figure was

[Mr Willetts]

100,000. Extra apprenticeships are already coming through because of our practical commitment to vocational training.

Alongside vocational training, of course we recognise the continuing pressure on our universities. That is why we had to reform their financing. Had we not done so, we would have faced reductions in the number of university places or reductions in the financial support for each student at university. Instead, we have been able to maintain our commitment to 10,000 extra places at university and urge universities, with requirements to back this up, to focus on the employability skills of their students. When people emerge from university, they should have had practical experience of the world of work already, so we are focusing on skills and universities as well.

We are protecting the budget for science and research and enabling important capital projects to go ahead, such as the UK centre for medical research and innovation at King's Cross. We are taking practical steps to ensure that we can enjoy the benefits of our excellent research effort—speeding up the process of getting a patent and intellectual property protection, which can be too slow. Yes, we are backing research and development, and we are backing the technological application of that by encouraging our new technology innovation centres.

It was a great disappointment when we had the news from Pfizer. I met the global chief executive officer and the UK chief executive of Pfizer on Monday 24 January, when they informed us in strict confidence of their intention to close the Sandwich plant. We did, of course, press them on their decision. They made it clear that it was a decision based on global strategic considerations by the company as a whole, as it moved away from some of the lines of research in which Sandwich specialised. They made it clear that it was not because of any disagreement that they had with this Government's economic policies.

Since then we have been in close contact with Pfizer. I have asked Paul Carter, the leader of Kent county council, to lead a local task force on the matter. The Secretary of State and I will be working hard to try to find innovative alternative uses for that excellent research facility and to back the very skilled people there.

We are doing all this against the background of a serious financial crisis left for us by the previous Labour Government. The shadow Secretary of State, the right hon. Member for Southampton, Itchen (Mr Denham), said, "There are no deficit deniers" on the Opposition Front Bench. He was able to say that only because the shadow Chancellor was not sitting beside him at the time. We know that deficit denial is one of the fundamental problems that the Labour Opposition face if they are ever to become a credible party of government again.

Although the shadow Secretary of State said that he was not a deficit denier, he went on to say that the large deficit had arisen because of the banking crisis. Britain was running one of the worst structural deficits of any advanced western country before the banking crisis. One of the tests of whether people recognise the seriousness of the challenge that they face is their willingness to accept that that was the problem. If they do not accept that that is the problem, they are deficit deniers. It is as simple as that.

Then the right hon. Gentleman seemed to fail to recognise the wide range of business leaders in Britain and elsewhere who have backed our policy to tackle the deficit. He went on to say that we just blamed the snow for the economic problems that we faced. Okay, I will do a deal with the shadow Secretary of State. We do not just blame the snow; we blame the last Labour Government.

It was the last Labour Government who got us into this mess. They left us an economy with the worst deficit, unsustainable spending, the most leveraged banks, the biggest housing boom, unsustainable levels of personal debt and personal saving negative—almost unprecedented in any advanced western country. That is the mess that they left us. That is what we have to sort out. Already, working with the Secretary of State, we are putting in place a growth strategy to emerge from the mess.

My right hon. Friend the Secretary of State was one of the most eloquent and effective people in warning about the mess that Labour was making of our economic situation. He warned about the level of debt. He was quite right to do so. Now, the present Government must tackle it. It was those on the Labour Benches who left the patient dangerously ill. Now they complain as we, sadly, have to deliver the treatment.

Question put.

The House divided: Ayes 245, Noes 323.

Division No. 187] **[3.59 pm**

AYES

Abrahams, Debbie	Clwyd, rh Ann
Ainsworth, rh Mr Bob	Coaker, Vernon
Alexander, rh Mr Douglas	Coffey, Ann
Alexander, Heidi	Connarty, Michael
Ali, Rushanara	Cooper, Rosie
Anderson, Mr David	Cooper, rh Yvette
Austin, Ian	Corbyn, Jeremy
Bailey, Mr Adrian	Crausby, Mr David
Bain, Mr William	Creagh, Mary
Balls, rh Ed	Creasy, Stella
Banks, Gordon	Cruddas, Jon
Barron, rh Mr Kevin	Cryer, John
Bayley, Hugh	Cunningham, Alex
Beckett, rh Margaret	Cunningham, Mr Jim
Begg, Dame Anne	Cunningham, Tony
Bell, Sir Stuart	Curran, Margaret
Benn, rh Hilary	Dakin, Nic
Benton, Mr Joe	Danczuk, Simon
Berger, Luciana	Darling, rh Mr Alistair
Betts, Mr Clive	David, Mr Wayne
Blackman-Woods, Roberta	Davidson, Mr Ian
Blenkinsop, Tom	Davies, Geraint
Blomfield, Paul	De Piero, Gloria
Blunkett, rh Mr David	Denham, rh Mr John
Bradshaw, rh Mr Ben	Dobbin, Jim
Brown, rh Mr Gordon	Dobson, rh Frank
Brown, rh Mr Nicholas	Docherty, Thomas
Brown, Mr Russell	Dodds, rh Mr Nigel
Bryant, Chris	Donaldson, rh Mr Jeffrey M.
Buck, Ms Karen	Donohoe, Mr Brian H.
Burden, Richard	Doran, Mr Frank
Byrne, rh Mr Liam	Dowd, Jim
Cairns, David	Doyle, Gemma
Campbell, Mr Alan	Dromey, Jack
Campbell, Mr Ronnie	Dugher, Michael
Caton, Martin	Durkan, Mark
Chapman, Mrs Jenny	Eagle, Ms Angela
Clark, Katy	Eagle, Maria
Clarke, rh Mr Tom	Edwards, Jonathan

Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hermon, Lady
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Hamilton and Phil Wilson

NOES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John

Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mercer, Patrick
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Mr Shailesh Vara

Question accordingly negatived.

Public Forest Estate (England)

Madam Deputy Speaker (Dawn Primarolo): I have to inform the House that Mr Speaker has selected the amendment in the name of the Prime Minister.

4.13 pm

Mary Creagh (Wakefield) (Lab): I beg to move,

That this House believes that the Government's intention in the Public Bodies Bill to sell off up to 100 per cent. of England's public forestry estate is fundamentally unsound; notes that over 225,000 people have signed a petition against such a sell-off; recognises the valuable role that the Forestry Commission and England's forests have made to increasing woodland biodiversity and public access, with 40 million visits a year; further recognises that the total subsidy to the Forestry Commission has reduced from 35 per cent. of income in 2003-04 to 14 per cent. of income in 2010-11; further notes that the value of the ecosystems services provided by England's public forest estate is estimated to be £680 million a year; notes that the value of such services could increase substantially in the future through the transition to a low carbon economy as a carbon market emerges; notes that the public forest estate has been retained in Scotland, Wales and Northern Ireland; and calls on the Government to rethink its decision on the sale of England's public forest estate in order to protect it for future generations.

The countryside is on the move against the Tory-led Government's plans to privatise England's forests. People are furious about this environmental vandalism. The Government's impact assessment shows us that it is economic madness, too. The Government are carrying out a hatchet job that destroys the funding model which has protected England's forests for nearly 100 years. If the commercial timberlands are sold, the ancient woodlands starve. The true value of England's forests cannot be measured by the price that the Government will get from selling them.

Bob Russell (Colchester) (LD): Will the hon. Lady inform the House when she first discovered that the last Labour Government sold by stealth thousands of acres of forestry land?

Mary Creagh: I am delighted that the hon. Gentleman has raised that issue, because we can put paid to the lies about it. Under the last Labour Government, there was a net sale of 4,000 hectares in England. We sold 9,000 hectares and bought 5,000 hectares. We expanded community access to the forests. The money was recycled back into the forests, and did not go to the Treasury.

Helen Jones (Warrington North) (Lab): Will my hon. Friend confirm that the policy of the last Labour Government involved selling off some woodland and reinvesting the proceeds in areas such as mine to create woodland in urban areas such as the Mersey forest?

Mary Creagh: I am delighted by my hon. Friend's mention of the Mersey forest, where 1 million trees were planted in and around her constituency.

How did the Government get this so wrong? Over the summer, the Secretary of State for Environment, Food and Rural Affairs rolled up her sleeves and took the axe to her own Department. She cut the Department for Environment, Food and Rural Affairs by 30%—the biggest cut of any spending Department. There are cuts to flood defence schemes, and nature reserves are next on the transfer list. England's forests were slipped into the Public Bodies Bill in the bonfire of the quangos. However, she was seeking not a bonfire of the quangos, but the power to sell off all England's forests.

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): If the hon. Lady is so opposed to this Government taking the powers in the Public Bodies Bill, why do the Labour-led Welsh Assembly Government want the same powers?

Mary Creagh: The right hon. Gentleman makes a point about the future—*[Interruption.]* My question back to him is what is happening to the future of forestry in this country under his Government? If they take the heart out of the Forestry Commission model—take away what is happening in Scotland and Wales—they will effectively destroy the system that has protected the national forests for 100 years.

Albert Owen (Ynys Môn) (Lab): My hon. Friend said that England is on the march. Wales is on the march as well, going by the number of Welsh people who have written in to safeguard England's forests. However, they do not just visit those forests. To answer the Minister of State, the Welsh Assembly Government want the powers to safeguard Welsh forests against this very measure. They fear that Welsh forests will be rolled into the Bill that has been mentioned.

Mary Creagh: The Public Bodies Bill, which was introduced in the Lords in October, gives the Government the power to sell the lot—1,500 woods and 258,000 hectares. It is the biggest change in England's land ownership since the second world war. This is not the first time that the Tories have sold England's forests. After introducing the Forestry Act 1981, they sold off 72,500 hectares in three years. Let their actions then stand as a warning to us today.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I declare a passing interest: my wife was born in the Forest of Dean and my constituency town takes its name from the old Lyme forest along the Cheshire and Staffordshire border. Does my hon. Friend agree that the strand that links this policy with all the other policies for which there is no public mandate is the pretence that debt and borrowing are worse than was expected before the election? Does she agree that that is a pretence and that it does not justify this further act of public vandalism?

Mary Creagh: Absolutely; I am grateful to my hon. Friend for that point.

Let us look at the maths. The Forestry Commission costs each of us 30p a year. Our ancient trees, worshipped by our ancestors as a source of food, fuel and shelter, will go in this sale of the century. The Secretary of State wants to finish a task that proved too much even for Mrs Thatcher.

Mr Paice: How many acres of ancient trees?

Mary Creagh: The Minister asks how many acres of ancient trees we have. The answer is that he does not know, because I met Forestry Commission officials this morning, and they told me that the mapping tool that the Government are using has excluded sites of special

[Mary Creagh]

scientific interest. *[Interruption.]* The Minister should perhaps talk to his staff a little more. I have been talking to a lot of them, and I have not met a single one who supports his plans.

Emily Thornberry (Islington South and Finsbury) (Lab): My hon. Friend refers to the countryside being on the march. Is she aware that in Islington South, where we have the smallest amount of green space in the whole of England, I have had 323 letters on this issue? They are our trees too.

Mary Creagh: I am grateful to my hon. Friend. Perhaps I should have said that the country is on the march.

The Secretary of State did not reckon on the campaigns against these plans, both national and local, which have united people from across the political spectrum. Some 360,000 people have signed the "Save our Forests" petition—the largest public protest since the Government were elected.

Geraint Davies (Swansea West) (Lab/Co-op): Does my hon. Friend agree that Lloyd George, who set up the Forestry Commission in the previous Tory-Liberal Government in 1919, would turn in his grave at the thought that this coalition was selling off England's forests and leaving only Wales and Scotland to manage and own our public land and forests?

Mary Creagh: I am sure he would be spinning in his grave.

I turn to the consultation document that the Government published last week. I have read it, unlike many Government Members, and it rewards reading. It raises more questions than it answers. There are a lot of warm words in it about communities instead of the Forestry Commission managing forests, yet on page 33 there is a harsh reality:

"Any sale would be at the open market value".

Forests currently sell for between £3,000 and £6,000 a hectare. I will give way to any Government Member whose community can afford to compete with the private sector to buy up thousands of acres of woodland. [Hon. Members: "Come on!"] No takers?

Dr Thérèse Coffey (Suffolk Coastal) (Con) *rose—*

Mary Creagh: Oh, we have one!

Dr Coffey: I thank the hon. Lady for her challenge. It is not in my constituency, but the community did indeed come together to purchase Bradfield woods.

Mary Creagh: My question is this: was it at full open market value? That is the question to which we shall return.

Page 13 of the consultation document contains more warm words about public access. However, although the Countryside and Rights of Way Act 2000, introduced by a Labour Government, provides pedestrian access to 90% of the freehold area of the public forest estate, 20% of the estate is leasehold, so CROW rights there depend on the lease. The document warns:

"So-called 'higher rights', such as cycling and horse riding, have not been dedicated."

Ministers talk of conditions in leases, but if they lease land for 150 years, who will enforce the leases a century from now? The public forest estate makes up 18% of the woodland in England but accounts for nearly half the publicly accessible woodland. That tells us all that we need to know about public access to private woodlands.

Mr James Gray (North Wiltshire) (Con): Does the hon. Lady think that the Woodland Trust and the National Trust will or will not be able to compete in the free market to purchase important forests?

Mary Creagh: The National Trust has come out this morning and said that the Government's plans are absolutely no way to manage the public forest estate—I do not know whether the hon. Gentleman has seen the news today—and the Woodland Trust has a big petition on its website saying, "Save our forests". He needs to look at what they are saying. They will not pay their members' subscriptions to the Treasury to buy something that we already own.

Hugh Bayley (York Central) (Lab): Literally hundreds of my constituents have written to me saying that something must be done to stop the sale. On Saturday week I am holding a public meeting to discuss—*[Interruption.]* The Minister of State may laugh, but we will be discussing how they can respond to his consultation. Will my hon. Friend come to York on that day to meet people and hear what they have to say?

Mary Creagh: I thank my hon. Friend for that invitation. I shall certainly make the journey to York to hear what his constituents have to say, and I hope that Ministers go out and listen to what the country has to say on the matter.

Paul Maynard (Blackpool North and Cleveleys) (Con): The hon. Lady mentioned the Woodland Trust. Does she agree with its chief executive, who told Radio 4 last week that:

"Public ownership is not delivering full protection...it is not as simple as saying that public ownership is better"?

Does she agree that different forests need different types of ownership structure?

Mary Creagh: Different forests are already under different sorts of ownership—the public forest estate makes up 18% of England's woodlands. The question is what the nation values and for what we are prepared to pay.

Clive Efford (Eltham) (Lab): Oxleas wood in my constituency is a sight of special scientific interest and has a great deal of biodiversity. It is small wonder that those on the Government Benches understand nothing about biodiversity, because under the previous Tory Government we came together and fought to save Oxley woods from a six-lane motorway that they wanted to build. We did not succeed by buying the woods, but would it not be invidious if the only way to stop such development under this rotten coalition was people subscribing to buy them?

Mary Creagh: My hon. Friend makes a very interesting point and brings us back to the question of money.

Who will pay to look after England's forests? Page 17 of the consultation document has many warm words on the English woodland grant scheme. It says that any new owners could apply to create new woodlands and to care for existing ones. However, that document must be read in conjunction with a much more serious one—the impact assessment, page 39 of which states that payments under the woodland grant scheme

"may not be sufficient to secure the level of public goods currently provided on the PFE."

Tim Farron (Westmorland and Lonsdale) (LD): The hon. Lady makes some good points. Does she agree that this Government could learn lessons from the mistakes of the previous Government, of whom she was a member? Rigg wood in my constituency was sold off under the Labour Government, and as a result, public access has now been restricted. Would it be right for this Government to think carefully about how we protect public access to our forests, whether publicly owned or otherwise, given that her Government failed so badly?

Mary Creagh: Let us go back to the numbers. We sold off 9,000 hectares and bought 5,000. The Government whom he supports—I am grateful that he is backing our campaign on this issue—will sell off more land in the next year than the previous Labour Government sold off in 13 years, and they will do so without giving any guarantees whatever on public access. Government Members should think on that and reflect on the 40,000 hectares that are going in the sale of the century.

Page 18 of the consultation document states that

"significantly increasing woodland cover across the UK would be a cost-effective way to help with both climate change mitigation and adaptation."

When I met Forestry Commission staff, they told me that they estimated that the future value of biomass and wind power on the public forest estate could be as much as £75 million a year. Perhaps Government Members can tell the House how the sell-off will increase tree planting if there are not enough grants to go around.

I recently met free miners and verderers from the Forest of Dean. They told me that it costs £500,000 to look after their forest, and that it brings £100 million to the rural economy. They want their questions answered. Who will run the forest? What would happen if the much-vaunted charitable trust collapses? How would their commoners' rights be protected in any transfer? The New Forest costs the Forestry Commission £2.9 million to run. How will that money be raised in perpetuity? I shall answer that question for the House: the money will be raised through increasing parking charges, by closing toilets and by reducing spending on wildlife management. That is not my view, but the view expressed in the Forestry Commission's staff consultation, which was published today and which lays everything out for us in black and white.

Caroline Lucas (Brighton, Pavilion) (Green): The Forestry Commission currently manages all our forests to the Forest Stewardship Council standard, which is well above the base legal level, and does so at a cost of about 30p a year to each of us, which is a pretty good bargain.

Mary Creagh: That is a very interesting point and one that I was going to make later. As the hon. Lady has raised it, however, I will address it now. All the timber is responsibly produced, but in an answer on 17 January, the Minister of State said:

"Certification under the UK Woodland Assurance Standard is voluntary and this will be a decision for the new owners of woodland...The consultation...will include proposals on how certification might be maintained."—[*Official Report*, 17 January 2011; Vol. 521, c. 471W.]

Mr Desmond Swayne (New Forest West) (Con): There are no car parking charges in the New Forest, but there are car parking charges in plenty of other Forestry Commission forests. It is entirely a local matter.

Mary Creagh: I am interested that the Prime Minister's Parliamentary Private Secretary—who has been writing some interesting blogs about strawberry jam and other matters—is perhaps feeling the pressure from his local community on this issue—*[Interruption.]* Do wooden pips and strawberry jam ring any bells? That is a sign of someone who is under a great deal of pressure. One thing that we can guarantee the hon. Gentleman's constituents is that if this sale goes ahead, they will be paying for car parking.

Several hon. Members *rose*—

Mary Creagh: I wish to make a little more progress, and then I will give way.

Page 20 of the document talks about experience from other countries and cites the privatisation of forests in Russia and central Africa, and the need to tailor our approach to the national context. I am still trying to work out—perhaps the Secretary of State will be able to tell us in her speech—in what ways England's national context is similar to that of Russia or the Democratic Republic of the Congo, whose economy has been shattered by seven years of war and where one in five children die before their fifth birthday—*[Interruption.]* It is a country that I have visited and about which I care a great deal. I care about the natural timber resources of the Congo and I know that the Government give money to protect them, but the Congo is not the model that we should use as an excuse for privatising our forests.

Mr David Burrowes (Enfield, Southgate) (Con): Is not the point that many of us would be happy to chain ourselves to trees and forests, but not to the structure and jobs of the Forestry Commission?

Mary Creagh: I do not know what the hon. Gentleman has got against those dedicated public servants, but when I met them they were very concerned about the 270 jobs that will go instantly in the Forestry Commission and about how woodland will be managed with 25% fewer staff. They were concerned about how national diseases, such as sudden oak death, will be managed and about the loss of a critical mass of expertise from the Forestry Commission. The hon. Gentleman derides that concern as if it were all about jobs for the boys and girls. It is not: those workers care about the forests, which is more than can be said for the Conservatives.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I am glad that we are talking about the jobs of those who work for the Forestry Commission. Although

[Mark Lazarowicz]

we are talking about forests in England, jobs throughout the UK are at risk. There are several hundred staff at the former UK headquarters in Edinburgh, many of whom live in my constituency and are very worried about the future. They have told me that between 400 and 600 jobs in Scotland depend on the link with the English Forestry Commission and they are very worried about the future because of the Government's proposals.

Mary Creagh: Yes, we risk a cross-infection of job losses across the Forestry Commission estate with these proposals.

It is not only Forestry Commission staff who are worried. David Sulman, executive director of the UK Forest Products Association, called the proposals

"a recipe for disaster. If these leasing plans go ahead, thousands of jobs in the forestry and forest products sector will be put in jeopardy; many businesses could be starved of their wood supply and would face closure as a consequence."

There is no plan for rural jobs and growth here.

The consultation is full of holes. The Government talk about the big society, but the Forestry Commission and its communities are the big society. The Department's impact assessment shows that the costs will outweigh the benefits. There is no mandate for this. The coalition agreement promised

"measures to...promote green spaces and wildlife corridors in order to halt the loss of habitats and restore biodiversity."

How will these sales achieve that?

Joan Ruddock (Lewisham, Deptford) (Lab): Does my hon. Friend have any idea what would happen to partnerships such as the Capital Woodlands project, which cares for biodiversity and conservation in the urban areas of London? More than 300 of my constituents from the inner city have written to express their concern about the wider issues that she has described, but also about those precious green spaces in the capital.

Mary Creagh: My right hon. Friend is right to raise the issue of woodland in the capital, which is something that the Labour Government sought to extend. Also, it is important that people living in cities have the enjoyment of woodlands and access to forests. How do the sales achieve that? What has happened to the Government's woodland strategy?

What role can a broken-up forest play in carbon capture and storage? The answer is on page 51 of the closely read impact assessment, which says:

"The co-ordinated approach to implementing adaptation measures across the public forest estate would be put at risk through large-scale changes in ownership."

However, we need to step back from the Public Bodies Bill and the full sell-off and look at what is happening in England's forests right now. Ministers can sell off 15% of English woodland without any change to the law. *[Interruption.]* The Under-Secretary says from a seated position that that is why we did it. I have already explained how much was sold under the Labour Government; I want now to come to what will be sold by him. In our 13 years in government, we sold just 4,000 hectares net, reinvesting the proceeds in forestry.

The Secretary of State told the Select Committee on Environment, Food and Rural Affairs in November that she and her Ministers had already factored in £74.5 million of sales under existing laws. However, she gave no guarantees that the money would flow back to the Forestry Commission. Indeed she was at pains to point out that

"it would be perfectly possible for us to use the proceeds from sales of these assets towards increasing the capital available for flood defences".

We need to step back a minute. She has cut the flood defence budget by 27% and wants to sell off our forests to make up the shortfall that she has imposed. That does not strike me as any way to run a Department.

Mr Mark Spencer (Sherwood) (Con): If the model that the hon. Lady is talking about is so impressive, does she advocate using public money to purchase private sector woods back into the public sector?

Mary Creagh: That is indeed what has happened. *[Interruption.]* Yes, it has happened in the past. Why the shock? Some people cannot manage the timber or the forest. Forests cost money to run, so what the Forestry Commission does is advise the private sector on how best to manage them. I do not see any problem in that.

Steve McCabe (Birmingham, Selly Oak) (Lab): Surely what the thousands of people who are contacting MPs about this matter are concerned about is not the public sector buying out private forests, but private developers preventing their families from using them, as the Secretary of State says her children were able to use them. Those developers will build golf courses, luxury chalets and adventure parks on those forests. What is proposed is an excuse for private developers to deprive everyone else.

Mary Creagh: That is a good point, well made.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): People care about our forests in this country. What we all want is a more diverse forest, with the old English oaks alongside other trees, but that is very expensive to achieve, so yes, I want a Forestry Commission that buys more land and turns it into diverse forest. What we have with commercial interests is a drive always to plant fir, to secure quick commercial returns.

Mary Creagh: My hon. Friend raises a key point. Much of the timber stock that is now ready for felling is being felled by the Forestry Commission, which is replanting it with broadleaf native English oak, ash and beech. If we sell off the timber stock, we lose the chance to change the shape and structure of the forests. Next year, with the sale of 10,000 hectares, this Government will sell more in one year than Labour sold in 13 years in government, and they will do the same for each of the following years. The holdings could include sites in national parks—I hope that Members from Exmoor are listening—community forests, areas of outstanding natural beauty, or sites of special scientific interest.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I hope that the hon. Lady will not seek to mislead either the House or the nation. Does she not accept that we have one of the toughest regulatory regimes in the world? It

is not possible to fell a mature tree in this country without a felling licence, and part of the conditions for such a licence is nearly always that a new tree must be planted, and very often a broadleaf tree.

Mary Creagh: The hon. Gentleman is quite right; and who oversees felling licences? It is the Forestry Commission, which the Government are cutting by 25%.

Angela Smith (Penistone and Stocksbridge) (Lab): Does it not surprise my hon. Friend that the Government appear to have made no mention of our much-loved national parks in relation to this issue, despite the fact that some of our best forestry land, including Grizedale and the New Forest, is in national parks?

Mary Creagh: My hon. Friend makes an interesting point. I think that the reason is that the Government are planning the transfer of nature reserves away from Natural England, and planning changes to the governance of the national parks. Those changes are coming down the tracks, and those on the Government Benches would do well to heed them now so that they are not caught napping next time.

Bill Esterson (Sefton Central) (Lab): I want to raise the issue of the public perception of the plans, and to read out what my constituent, Lindsey Page, has told me. She says:

"I have heard the argument that if a forest area is sold off then there will be safeguards written into the contract of sale that should safeguard the access, but I don't believe such contracts are enforceable."

Does not that go to the heart of the matter? The public have no faith that there will be adequate safeguards.

Madam Deputy Speaker (Dawn Primarolo): Order. Interventions need to be brief.

Mary Creagh: Thank you, Madam Deputy Speaker.

My hon. Friend's point goes to the heart of the matter. The only legally enforceable rights are public access rights guaranteed under the Countryside and Rights of Way Act 2000. The introduction of further "higher rights" would require changes to primary legislation. *[Interruption.]* Who will enforce the leases in 150 years' time? It is certain that none of us will be around to remember this debate at that time.

Who will benefit from the sales? The Confederation of Forest Industries' website says that the price of commercial forests rose

"138% since 2002, which equates to a 17% average annual growth over the period".

So the forests that the Tories sold off in the 1980s and '90s have trebled or quadrupled in value. Where is the public benefit from those increased land values? There is none. Forestry land is exempt from inheritance tax after two years, and timber sales have no income tax or capital gains tax. When we sell our forests, the taxpayer loses many times over.

"Private companies buying 75-year rights to woodland would naturally seek to maximise returns from timber extraction"—

[Interruption.] The Minister should allow me to finish my quote before chuntering; I think that he is going to like it:

"There is no sign that the consequences for conservation, recreation and tourism have been properly weighed up in these plans. The Government is using 'slash and burn' tactics".

Those are not my words; that was a press release from the current Chief Secretary to the Treasury in January 2009, when a similar plan was proposed by the Scottish Government. I do not see the right hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) in the Chamber today.

Ian Murray (Edinburgh South) (Lab): I should like to draw my hon. Friend's attention to a quote:

"Liberal Democrats believe that the SNP are in a real way threatening to destroy rural Scotland through this hugely flawed proposal and are prepared to sell off the family silver for what amounts to a very small, one off sum of money."

Will she join me and the Liberal Democrats in their "Save our Forests!" campaign?

Mary Creagh: My hon. Friend makes an excellent point. For some reason, the photograph of the Chief Secretary to the Treasury with a "Save our Forests!" sign has disappeared from the Liberal Democrats' website. If anyone can find it, please will they e-mail it to me?

Anas Sarwar (Glasgow Central) (Lab): Does my hon. Friend share the anger of thousands of people across the country at the double-dealing of the Liberal Democrats, who say one thing in their campaign leaflets and their pictures, but do the opposite in government? Is it not the case that, on this issue, they cannot see the wood for the fees?

Mary Creagh: My hon. Friend is taking all my lines. How can the Liberal Democrats fight forestry sell-offs in Scotland, yet vote for them here in the Lobby tonight? We can answer that question: they are just doing on the national stage what they have always done on the local stage.

Mr Paice: When the hon. Lady provides the House with quotes, it would be useful if she properly attributed them in the context of the events that they addressed. She referred to the current Chief Secretary to the Treasury, but is she not aware that what he said was in response to the then Scottish Government's proposals? Is she not aware that we are proposing not 75-year leases, but 150-year leases? Most importantly, is she not aware that under the Scottish national land use scheme— *[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. Minister, you must be brief. I think we have got the point.

Mr Paice *rose—[Interruption.]*

Madam Deputy Speaker: Order.

Mr Paice *rose—*

Madam Deputy Speaker: Minister, you will resume your seat now. Thank you. I am on my feet and I have already said that interventions must be brief. That applies to everyone, including Front-Bench Members. This is a very important debate and many Members wish to contribute to it.

Mary Creagh: I missed some of what the Minister said, but I do not understand how his offering leases of 150 years is somehow better than the Scottish Government offering a 75-year lease.

[Mary Creagh]

We in the Labour party are proud of our record on forestry. We gave people the right to roam; we established two national parks; we replanted coalfield sites and landfill sites; and we brought trees closer to cities for all to enjoy. We planted 2 million trees in Warrington, 2 million in St Helens and 1 million each in Ellesmere Port, Moseley and Wigan.

The United Nations has announced 2011 as the international year of forestry. The Government have chosen a very strange way of marking it. The countryside is walking, cycling and riding against this Government's plans to privatise England's forests. People are furious at this environmental vandalism. We plant a tree to remember our loved ones, to mark an event, to leave a gift for those who come after us. The Forestry Commission costs each of us 30p a year. That is 30p to preserve our shared history, our cherished ancient oaks, ash and beech—sold for 30 pieces of silver! The Government's plans will destroy the funding model that has protected England's forests for nearly 100 years. If we sell the commercial timber lands, we starve the ancient woodlands. That is the simple equation and the fundamental fallacy at the heart of the Government's proposals. The true value of our forests will never be reflected in the price the Government get from selling them.

4.47 pm

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"deplores the actions of the previous administration in selling off 25,000 acres of public forestry estate with wholly inadequate protections; notes that the previous administration sought to go even further in finding ways to exploit the forestry estate for commercial gain as recently as 2009; welcomes the consultation proposals to guarantee the future protection of heritage forests by offering them charitable trust status; supports the consultation proposals for robust access and public benefit conditions that will be put in place through lease conditions, including access rights for cyclists and horse-riders; believes the leasehold conditions regarding biodiversity and wildlife conservation will safeguard significant important environmental benefits; sees these proposals as important in resolving the conflict of interest whereby the Forestry Commission is the regulator of the timber sector whilst being the largest operator in the England timber market; considers that debate on the future of the forest estate ought to be conducted on the basis of the facts of the Government's proposals; and believes that under these proposals people will continue to enjoy the access and benefits they currently have from the woodlands of England."

Clearly, the hon. Member for Wakefield (Mary Creagh) has not read our consultation document. For example, sites of special scientific interest are included, and there were many other inaccuracies in her speech. At least we now have an opportunity to nail some of myths that have been peddled on this issue. Of course it is an important function of Her Majesty's Opposition to hold the Government to account, but they should do so on the basis of facts, not fiction. Let us start, then, with some plain facts about our proposals.

First, we are consulting on proposals to create a new heritage forest status, whereby our most precious national assets are given over to charitable trusts, giving them far greater protection and financial security than they have ever had. Secondly, we propose to uprate massively protections for public access and other public benefits by replacing the freehold sales that took place under the last Government and moving instead to leaseholds that provide better protection for access and other public benefits.

Several hon. Members *rose—*

Mrs Spelman: I will give way, but I have listened to a lot of myths, so let me set the record straight first.

Thirdly, we propose to give community groups and civic organisations the opportunity to own or manage their local forests if they wish—and why should they not have this opportunity? Fourthly, we are opening up the commercial functions of the Forestry Commission to other operators on a leasehold basis so that their commercial potential is realised alongside the need to protect public benefits.

Angela Smith *rose—*

Hugh Bayley *rose—*

Mrs Spelman: I will give way in a minute.

Fifthly, we are refocusing the work of the Forestry Commission so that rather than devoting expertise and resources to commercial activities that should not be performed by Government, it can focus on conducting research on combating the challenges of new tree diseases, maintaining and enforcing access rights, providing expert advice, giving grants, and discharging its duty as a regulator.

Angela Smith: Will the right hon. Lady add to that list of facts an agreement on the part of the Government to guarantee the current permissive access provisions granted by the Forestry Commission on its lands?

Mrs Spelman: Permissive rights apply to 2,000 hectares of the public forest estate, which itself accounts for 18% of the woodland cover of the country.

Hugh Bayley: Talking of facts, I have here a parliamentary answer given to me by a former forests Minister in 1996. It records that under the previous Conservative Government 209,956 hectares of Forestry Commission land were sold. What proportion of that retained public access, what proportion went to community trusts, and what proportion of the new sales will go to such trusts?

Mrs Spelman: In 1996 I was not a Member of Parliament. I am dealing with a new policy, and that, it seems, is what Opposition Members are opposing.

What is most saddening about the debate is that rather than setting out her reasons for opposing our measures, the hon. Member for Wakefield insisted on sowing further misinformation and fear about what we are consulting on.

Several hon. Members *rose—*

Mrs Spelman: I will give way in a minute.

The hon. Lady claimed that we were planning to sell the forests for short-term gain. In fact, we are proposing to end the last Government's policy of selling land and replace it with a leasing policy, specifically to secure

access to rights for all—including horse riders, cyclists and other recreational users. The hon. Lady claimed that that was environmental vandalism. In fact, we are introducing more environmental safeguards than existed before. We are providing a once-in-a-generation opportunity to accelerate the recovery of plantations on ancient woodland sites, and enforcing replanting in other woodlands.

Ian Lavery (Wansbeck) (Lab): Will the Secretary of State give way?

Mrs Spelman: In a minute.

The Forestry Commission was previously commended for the restoration of ancient woodland sites. It pledged to restore 20,000 hectares of plantations on such sites; it has managed to restore just 2,000 hectares. I have a greater ambition in regard to the restoration and enhancement of biodiversity than the last Government ever entertained.

Mr Sheerman: The right hon. Lady produced some very well-crafted words in an earlier paragraph. She referred to an "opportunity" to acquire land. If there is a competition between a private buyer and a community interest, will preference be given to the community buyer, or will it all be decided on the basis of price?

Mrs Spelman: Oh, dear: yet another Opposition Member has not actually read the consultation document, which states explicitly that the community will be given preference. Of course people must be given preference when it comes to the woodlands near which they live.

Tony Baldry (Banbury) (Con): Is it not clear from the demeanour of Opposition Members that this is an Opposition knockabout day? Will my right hon. Friend confirm that there will be a three-month consultation period? May we hope that during those three months Ministers will be prepared to listen to serious representations from people who have read the consultation paper and will respond on the basis of facts rather than Opposition knockabout myths?

Mrs Spelman: As always, my hon. Friend makes a sensible intervention, pointing out that we are still in the first week of a 12-week consultation. To be kind to Labour Members, a lot of their questions arise from reading media reports, and they would do well to read the consultation document.

The hon. Member for Wakefield claims that people are going to turn up at their local woods only to find them locked up and gated off. The case to which her party leader has consistently referred—that of Rigg wood—has also been mentioned in this debate, but in fact that wood was put up for sale by her Government in April 2010. So perhaps she would like to go to Grizedale to explain to the people of Rigg wood what happened as a result of what her Government did. We, on the other hand, will be guaranteeing access and public benefit rights through the terms of the leases.

John McDonnell (Hayes and Harlington) (Lab): I believe that many people have read the consultation document and have understood the Government's proposal. Taking the Government at face value on this consultation, if a vast majority of people oppose this proposal, will the Government accede to their wishes?

Mrs Spelman: I have made it very clear that this is a genuine consultation. It is written in an open manner and does not contain leading questions. It invites the hon. Gentleman's community—his local groups and community groups—to have, for the first time, an opportunity to be involved in the ownership of the woodlands. I suggest that he talks to them about that.

Geoffrey Clifton-Brown: Will my right hon. Friend give a guarantee this afternoon that any sale or lease will have cast-iron legal safeguards for all existing rights of way? Will she go further than that by publishing what those rights of way are before a lease or sale takes place, so that local groups will know for evermore what rights they have over their forests?

Mrs Spelman: I am very happy to give my hon. Friend that assurance, because we live in an age of transparency and that is what community groups have every right to expect.

Andrew George (St Ives) (LD): Further to the point about a consultation, would my right hon. Friend care to reassure the House that the Public Bodies Bill seeks to establish enabling powers, rather than duties, and that that will fundamentally enshrine the opportunities proposed in the consultation, not force things through?

Mrs Spelman: I thank my hon. Friend for that intervention, because it is important to note that when we published the consultation document on 27 January it was accompanied by a written ministerial statement. If Members would like to read it in conjunction with the consultation document, they will find an assurance on this point. We will introduce a general duty for Ministers

"to have regard to the maintenance of public benefits when exercising"

the forestry-related powers and the powers in the Public Bodies Bill. *[Interruption.]* I am sure that Labour Members would be interested to know what those additional powers of protection are, as they have been making a lot of noise about this.

Secondly, the statement mentions

"exempting the most iconic heritage forests from the full range of options so that"

they

"could only be transferred to a charitable organisation or remain in public ownership". —[*Official Report*, 27 January 2011; Vol. 522, c. 17WS.]

That is far more protection than currently exists. If the Labour party would stop holding up the business in the other place, we might get those amendments on the statute book.

Imagine my surprise, then, when I read a document—"Operational Efficiency Programme: Asset Portfolio", which was published by the previous Government just months before the election—and discovered, on page 54, an explicit reference to the case for the "long-term lease" of the public forestry estate. What about this document—the "Operational Efficiency Programme: final report"? It states clearly that "greater commercial benefit" could be obtained from the public forest estate. And what about this document—"A Strategy for England's Trees, Woods and Forests"—published by none other than the right hon. Member for South Shields (David

[Mrs Spelman]

Miliband) when he was the Environment Secretary? It makes the case for local communities actively participating in the ownership and management of the public forest estate. Does that not lay completely bare the hypocrisy of the position now being taken by the Opposition? Their synthetic outrage cannot disguise the fact that they already had the public forest estate well and truly in their sights, so let us have no more of this self-righteous indignation.

Huw Irranca-Davies (Ogmore) (Lab): Will the right hon. Lady acknowledge that those options were ruled out of consideration and dismissed? They were dismissed for two very good reasons—first, because they did not add up economically or against cost-benefit analysis, and secondly, because they would not have been accepted by the great British public.

Mrs Spelman: And the hon. Gentleman's party was not accepted by the great British public as being fit to govern this country for the time being.

Tim Farron: Taking my right hon. Friend back to Rigg wood and giving reassurance to local populations, our experience with the sale of Rigg wood makes us extremely nervous about the lack of clarity about whether forests within national parks such as the Lake District count as heritage woodland. Will she agree that national park woodlands should all be considered as heritage, and should not be leased or sold?

Mrs Spelman: The consultation document sets out different categories of forest and woodland, because the public forest estate is very diverse. The Forestry Commission has published a set of criteria in relation to sales. There is a consultation and I suggest that the hon. Gentleman should make representations as part of that consultation about the category he wants included under the definition of heritage.

Tessa Munt (Wells) (LD): As the right hon. Lady will know, I have been very disappointed that some 100,000 acres is not covered by the consultation that started last Thursday. Will she guarantee for my constituents that the land for sale or lease in that 100,000 acres will be subject to absolute guarantees on protecting and enhancing biodiversity, on maintaining, protecting and improving public access for recreation and leisure, on ensuring the continued and increasing role of woodlands in climate change mitigation—

Madam Deputy Speaker (Dawn Primarolo): Order. Goodness me. I would like Members to make their interventions brief, and not take the opportunity of an intervention to make their speech. I call the Secretary of State.

Mrs Spelman: Thank you, Madam Deputy Speaker. I can assure the hon. Member for Wells (Tessa Munt) that there are statutory requirements for biodiversity. Planned sales under the spending review—plans that are published—will have greater protection than was afforded under the previous Government. Our objective in the amendment to the Public Bodies Bill is to make sure that we increase protection for access and other public benefits.

Sir Paul Beresford (Mole Valley) (Con): Is my right hon. Friend aware that a similar approach to hers on commercial forests has been extremely successful in New Zealand? The huge Kaingaroa forest—717,000 acres—is now out of Government hands, the land belongs to the Maoris and commercial organisations are doing the trees, with enhanced biodiversity.

Mrs Spelman: My hon. Friend's helpful intervention gives me the opportunity to advise Labour Members that, while the hon. Member for Wakefield made selective choices of countries that have explored other models of ownership and management that involve their local communities, the largest worked examples in the consultation document pertain to Queensland and to New Zealand.

Several hon. Members *rose—*

Mrs Spelman: I would like to make progress.

Now we have some of the facts on the record, perhaps we can have a rather more honest debate about the consultation. Let us recall why the Forestry Commission came about. It was established after the first world war to reduce our reliance on imported timber. Timber was vital—for example, as pit props—at a time when state ownership was the orthodoxy. It was felt that state supply of timber was essential. At the time, timber covered just 5% of the land under the public forest estate, and even over the long period in which the Forestry Commission has been in operation, that has increased to only 8%.

Ninety years later, things have changed. The Forestry Commission still has a role of supplying timber to industry, but the reality is that it accounts for less than 5% of the timber used in England. To be clear, the state is running timber supplies, yet 95% of the timber used is from outside England. That cannot be sustainable.

On top of that, the public forest estate in England operated at a net loss of £16 million last year. If we are to carry on maintaining our forests as we currently do—and in fact improve them, which is what we want to do, so that they have greater biodiversity and environmental value—we need to think about better ways of doing this and invite other organisations to come in and look at how we can put it on a better footing. That, frankly, is no bad thing, not least because the lease terms will secure access and benefits. Does it really have to be the state's role to sell Christmas trees? I know that the Opposition have taken a lurch to the left, but are they really suggesting that supplying Christmas trees, hosting music concerts and running log cabins should be national industries?

Mr John Baron (Basildon and Billericay) (Con): Public consultations under the Labour Government used to be a complete and utter sham. Can my right hon. Friend give us an assurance that, if the majority of respondents to the consultation express concerns about the policy, she will listen?

Mrs Spelman: Of course I can give my hon. Friend that assurance. I was very frustrated during 13 years of opposition by the sham nature of Government consultations. Let us not forget that we are talking about less than 18% of England's woodland cover.

Members will know that the vast majority of our woodlands are not in state ownership, but are still offering outstanding recreational and environmental value. Some are community woodlands. Some are held by organisations such as the National Trust. Some are held by charities. *[Interruption.]* And yes, many are held by individuals, from farmers to philanthropists. In my view, Opposition scaremongering has been such that they owe a great many of those people an apology for characterising them as being so disinterested in the public benefit. I can only say that I am glad that I am not so cynical about society; it must be a very miserable approach to life.

Stephen Gilbert (St Austell and Newquay) (LD): Does my right hon. Friend accept that the concern in all parts of the House and in all parts of the country is real? Will she acknowledge that it is genuine concern? Will she agree to meet with me and other Liberal Democrat Members to talk about those concerns?

Mrs Spelman: The concern has in large part been whipped up on the back of ludicrous speculation in the media. I am confident that, when our constituents have the opportunity to read the consultation document, we will have a much more meaningful discussion about the best way to protect our heritage, woodlands and forest, but of course I would be happy to meet the hon. Gentleman.

Some of the woodlands that we are discussing will be viable and some will not, but I can give the House this assurance: there will be no change in the status of woodland sites unless we are convinced that the access right and public benefits have been protected, and that those wanting to own or manage have the ability to do so. We will not accept second best on that.

Barry Gardiner (Brent North) (Lab): The Secretary of State said that there would be no transfer of woodland unless the protections that she has just mentioned can be put in place. Is she aware that not an hour ago, in Committee Room 18, Simon Hodgson, chief executive of the Forestry Commission, advised the all-party parliamentary conservation and wildlife group that it would not be possible to insist that the same management regime conducted by the Forestry Commission to protect biodiversity would be passed on to any new owner?

Mrs Spelman: Simon Hodgson is not the chief executive of the Forestry Commission, he is wrong and his fears are misplaced.

The difference in expressions of interest is perfectly logical because of the diversity in our woodland. There is no one-size-fits-all approach. We will look at what works best for each individual site. Our mixed model approach considers what works best for the different woodlands and how we can apply it in a way that gives greater public benefit.

Our proposals will mean that the nationally important heritage forests will continue to be managed for the benefit of the nation. By pursuing charitable ownership for our most valued heritage sites—for example, the New Forest and the Forest of Dean—the Government are making it clear that they are not for sale. They are secure for future generations to enjoy, and we will give that force of law with amendments to the Public Bodies Bill.

Dr Julian Lewis (New Forest East) (Con): I was interested to hear that my right hon. Friend said that no organisation would be allowed to take over one of those forests unless it was capable of running it. She has heard already the figure of £2.9 million, which is the deficit cost to the Forestry Commission from running the New Forest. What sort of charity would be able to shoulder that deficit?

Mrs Spelman: I can give my hon. Friend the same assurance as I have given the National Trust, the Woodland Trust and any new trust that would like to manage our heritage forests for us: we do not expect them to do it for nothing. Let us look at the model of British Waterways. Our canal network is to be moved into the hands of a mutual trust. Obviously, the Government will continue providing running costs to that trust because we understand that it cannot manage the network for nothing.

Mr Edward Leigh (Gainsborough) (Con): The public care about one thing. As a result of these plans, will public access be increased or reduced?

Mrs Spelman: I think I have said this, but for the avoidance of doubt, public access and other public benefits will be improved and enhanced as a result of the proposals that we set out in our consultation document.

Having exposed the fact that the previous Government indeed looked at disposal of the public forest estate, I would like the Opposition to hear—*[Interruption.]* I would like them all to listen. That would be a start. I would like them to hear clearly why it is important to give the opportunity for the heritage forests to pass into the hands of charitable trusts. What we have seen from the evidence of documents from the previous Government is that the forests run the risk of successive Governments continually coming back to the question of how they should be owned and managed. Putting them safely in the hands of charitable trusts, as we propose to do, will mean that they will continue to be managed for the benefit of the nation. Their enhanced status in the hands of charitable trusts will put them beyond the reach of Whitehall politics once and for all.

Sir Peter Soulsby (Leicester South) (Lab): In practice, would not trusts and charitable organisations be absolutely crazy to take on the burden of the New forest, for example? How could they possibly expect to have the fundraising capacity to meet the ongoing costs of managing it appropriately, particularly given the Government's expectation, clearly stated in their consultation paper, that such gifts to those organisations should move towards self-reliance? They would be crazy to take that on in such circumstances.

Mrs Spelman: The hon. Gentleman clearly was not listening to the question asked by my hon. Friend the Member for New Forest East (Dr Lewis). We have made it clear that we would not expect charitable trusts to take these on without the running costs, so the hon. Gentleman's fear is unfounded. Some smaller, local areas of woodland might fall into heritage status, but for those that do not, we are consulting on whether to offer them to local community groups or charities to take over first and foremost. If no local groups or charities want to take on the leasehold and no suitable

[Mrs Spelman]

buyer with a credible access and environmental protection plan comes forward, the woodland will simply remain in public ownership.

As I have said, for sites that are predominantly commercial in nature, we propose offering long leases with conditions attached. To be clear, there will be no one-size-fits-all approach, no land grabs and no fire sale. Instead, there will be a thoughtful, detailed, long-term programme of reviewing the estate, potentially over 10 years. There will be no rush; it is more important to get this right. We will look at how to improve the rate of recovery of plantations on ancient woodland sites, thereby enhancing biodiversity.

We will look at how the Forestry Commission can work with communities to help them to bid for local woodlands and at how we can actively improve access rights. I am thinking in particular of how we can access resource improvements for people with disabilities. We will look at how we can enable groups who run woodlands to draw down environmental grants in a way that the Forestry Commission currently cannot.

Those are all things that the Forestry Commission, with its expertise and dedication, is perfectly well placed to do. It is where it will really add value. If Members were to ask someone from the Forestry Commission whether they would rather be working with communities to help in the recovery of ancient woodland sites, or shrink-wrapping Christmas trees, what do they think they would say?

Julie Hilling (Bolton West) (Lab): Even if community groups could afford to purchase woodland, why should they if it is already in public ownership? It is rather like a thief stealing a car and then offering to sell it back.

Mrs Spelman: As I have tried to point out, and as evidenced in the documents prepared by the previous Government, the fact of the matter is that as long as there are no opportunities for communities in respect of the public forest estate, there is a risk in Whitehall politics. The point about giving the community that lives nearest the forest that opportunity is that they are the most likely to protect it in perpetuity.

This is a really exciting opportunity for our woodlands. We share completely the desire of those who love to walk, cycle, ride, kayak or go ape in our woodlands. I have children and know what a lifeline woodlands are in the long summer holidays. I am certainly not going to deny others the respite that those woodlands gave me, not now and not for future generations. I want to see whether we can improve on the status quo. I want many people to be engaged in the consultation, and I mean genuinely engaged by the facts, not the fiction. This is an opportunity to do things better. If access rights, public benefits and environmental protections are not the same or better, we will not make any changes. I believe that they can be better, that they should be better and that the consultation points the way to making them better.

5.19 pm

Huw Irranca-Davies (Ogmore) (Lab): I do not know where to start. When I was in the position—

Madam Deputy Speaker (Dawn Primarolo): Order. My apologies to the hon. Gentleman. Before he starts, I thought it might be a good time to remind Members that, on this debate as well, there is a time limit of six minutes, and it is from now. So, Huw Irranca-Davies, you have six minutes from now.

Huw Irranca-Davies: A second start. Thank you Madam Deputy Speaker.

When I was in the privileged position of being the Minister for Marine and Natural Environment at the Department for Environment, Food and Rural Affairs, one thing stood out about DEFRA: all the staff, agencies, green organisations and third sector organisations believed that they were on a mission in terms of the natural environment. We created national parks, protected wildlife, tackled wildlife crime, worked internationally to protect biodiversity and we increased access to the countryside and the quality of our uplands and seas. We also looked after the forests and promoted more woodland coverage, making steady strides to increase our poor showing among European nations.

I do not honestly believe that anybody from DEFRA, the Forestry Commission, Natural England or a host of other organisations, whose staff deeply care emotionally and intellectually about our woodlands and our natural environment, genuinely supports the policy. I do not believe that the Minister's heart is in it; that might be the same for the Secretary of State, truth be told. I am sure that the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Newbury (Richard Benyon) does not support it.

Interestingly, however, the hon. Gentleman does not have a say. He has most of my old responsibilities as a Minister for the environment, but with one hugely noticeable exception: forestry. Why? He still covers, as I did, everything else in the natural environment, but forestry has disappeared from the environment Minister's remit. That is no slur on his abilities, because he is no fool, but it is telling that forestry has gone from the environment Minister's portfolio. The message is quite simple: the forests and woodland, from the inception of this Government, were downgraded in importance; they were no longer part of the natural environment brief.

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I am very grateful to my predecessor for giving way. There is a very good reason why I do not have responsibility for forestry: I have some personal interests. I am happy to declare an interest now. My local village of Beenham had a small piece of Forestry Commission land in which my children and I bought small shares with the village as part of a community project. It is an absolute model, which we are trying to follow under the consultation before us.

Huw Irranca-Davies: That is a very useful clarification, which I accept.

The former Secretary of State, my right hon. Friend the Member for Leeds Central (Hilary Benn), who is now shadow Leader of the House, was always clear about the Forestry Commission. He and generations of senior Ministers with the same responsibility held jealously to public ownership of the forest estate, because that was in the interests of the British people. Why? There

are 13 million tonnes of carbon stored in the trees, 22 million tonnes in the ground and more than 100 million day visitors every year. Public access is protected under the Countryside and Rights of Way Act 2000, and the forest estate is the largest provider of green space around cities, including regeneration and growth areas such as Merseyside, Manchester and the Thames Gateway, with 3,500 hectares established over the 10 years to 2009 and more potential to expand that green infrastructure. Even then, only 10% of the population—notably, in disadvantaged areas—have access to any woodland within 500 metres of home. We are still way below the EU average.

Bill Esterson: My hon. Friend mentions Merseyside, and one of my constituents from Crosby, Kay Redmond, backs up what he says about keeping the forests in public ownership

"to maintain current access for the public and to protect the diverse wildlife found in forests".

Huw Irranca-Davies: My hon. Friend's constituent is absolutely right. The issue is about not only timber production and public access, but biodiversity and locked-up carbon. It is about the 1.5 million tonnes of timber produced annually and sustainably; the £1.1 billion of economic value for £17 million in operating costs; the potential further restoration, which comes with the Forestry Commission, of ancient woodlands; and the £100 million of partnership funding in the 10 years to 2009. It is also about the commercial ventures, which were expanding, with the Caravan Club, Go Ape, forest concerts and the Forest Holidays company. In addition, parliamentary funding for the Forestry Commission dropped from 36% in 2003 to 24% in 2007. If that were not good enough, there was also potential for 200 MW of renewable wood fuel energy from managed forests, hydro, geothermal, and, if Ministers were so included, wind energy. I could go on and on.

All that is now at risk, despite reassurances from the Minister and the Secretary of State. Those sound to the public—and to an old sceptic and former Minister like me—like the reassuring words spoken at a deathbed, because that is what this is. It is the funeral of the publicly owned forestry estate. It is the death of the body of expertise and co-ordination that lies within the Forestry Commission. It is the killing off of jobs, skills and knowledge.

Public access is at risk, too. The post-war Labour Government brought in the National Parks and Access to the Countryside Act 1949. We introduced the right to roam. Only recently, my right hon. Friend the Member for Leeds Central designated the South Downs national park, and I took through the provisions for the England coastal path in the Marine and Coastal Access Act 2009. Since this Government came in, we have seen soft-pedalling on the England coastal path, and now we are seeing back-pedalling on access to our woodlands.

It does not even make economic sense, even by the Government's own figures and the figures in the report mentioned by the Secretary of State. The cost in public goods lost far outweighs the benefits. The Treasury has not given thought to the fact that for every £100 million of woodlands sold off, £40 million will be lost in inheritance or other taxes, as companies and individuals buy woodland as tax write-offs. Are they going to look after it?

There is not enough time to say how the Government are now trashing the hard-won policy launched only last year which brought together, for the first time ever, carbon and climate change issues with biodiversity to improve the diversity of woodland habitats. There is the issue of climate change alone. I quote from our public service agreement 28—yes, we were the Government who had binding targets for ancient woodlands and priority habitats—which said:

"In the face of climate change, a successful strategy would require a landscape-scale approach, joining up the highly fragmented ownership pattern into a shared endeavour".

The last and only other time this sell-off was contemplated was under John Major's Conservative Government. Here we go again—back to the 1980s. If I have not made the Government think again, the public surely will.

5.27 pm

Miss Anne McIntosh (Thirsk and Malton) (Con): I am delighted to follow the hon. Member for Ogmore (Huw Irranca-Davies), whom I had the privilege to shadow in the previous Parliament. There are six forests and woods in the new constituency of Thirsk, Malton and Filey—namely, Dalby, Cropton, Boltby, Kilburn woods, Newgate Bank and Silton forest.

I congratulate my right hon. Friend the Secretary of State on responding to this debate and on moving our amendment. We are absolutely right to discuss ownership of the forests and woodlands at this time. One has to consider the history, and the history that pertained in 1919 and 1920 is not necessarily relevant in 2011. The background then was that many of the trees and forests, particularly the fast-growing trees, had been decimated to build the trenches during the first world war.

My regret about the debate being called at this time is that the consultation should have preceded the Second Reading of the Public Bodies Bill in this House, because then we would have had the legal base and context so that we knew precisely about the management and the access issues to which my right hon. Friend referred. I have a severe reservation that that Bill will remove, once and for all, the right of this House and the other place to scrutinise these issues over the next 10 years and thereafter. I hope that when my hon. Friend the Minister responds to the debate, he will put my mind at rest on that point.

Most of the issues raised by people who have written to me and by other Members relate to access. The Woodland Trust has put it on the record that the issue is not ownership, but how woodlands and forests are managed. In preparing for today's debate, I tried to find out about the status of the forests and woods in my constituency. I have not found that information on the Forestry Commission website, in the Library document or in the consultation. It would be helpful for Members who represent areas containing forests and woodlands, and for the people who enjoy them to know the precise status of those forests and woodlands. Otherwise, we will be queuing up to make our cases.

Damian Hinds (East Hampshire) (Con): We all recognise that this is only a consultation, but given the distinction between heritage forests and other forests, there is some nervousness about which forests count as heritage forests. Does my hon. Friend agree that people want the reassurance

[Damian Hinds]

that there will be no loss of access or amenity for walkers, cyclists and horse riders even in the forests that do not count as heritage forests but that are an important public amenity?

Miss McIntosh: I welcome my hon. Friend's intervention, but I would go further. I would like to know the precise mechanism being proposed. If it could be achieved through an amendment to the Public Bodies Bill, we should agree to it now and it would remove many of the anxieties that we are debating this afternoon. If the Minister responded on that point, it would progress the debate and allay many of my anxieties and those of my hon. Friend's constituents.

I would like clarification on the written ministerial statement to which the Secretary of State referred. It stated:

"I am today publishing tightened criteria for those sales under the Forestry Commission's programme to deliver £100 million in gross receipts during 2011-15."—[*Official Report*, 27 January 2011; Vol. 522, c. 17WS.]

Does that relate to 85% or 100% of the sales? I would like to explain to my constituents how the sums add up and what the exact financial figures will be.

I am surprised that in introducing the debate, the hon. Member for Wakefield (Mary Creagh) did not mention the role of woods, trees and forests in promoting flood defences. The Forestry Commission is playing a flood defence role in the Pickering pilot scheme. It is planting a number of trees that will create a carbon sink and retain water, which will prevent Pickering from being at risk of flooding in the future.

Hugh Bayley: The hon. Lady makes an extremely important point. However, if the Forestry Commission is not there, does she think there will be the same investment in tree planting on Forestry Commission land and private land to reduce flood risks?

Miss McIntosh: I would put that question directly to the Minister, as I have done before. I want an assurance that the Pickering project, if it is successful, will be the forerunner of many similar projects in areas such as mine across the country. I want an assurance today that the trees will be planted and that the investment will be made. The hon. Gentleman prompts the question of why we should rely on the state to make that investment. We have moved a long way from the previous Government's mistake of selling off the national treasure of Rigg wood in the Lake district without guarantees of access, the enjoyment of benefits and the continued biodiversity for which we have called.

I should like assurances on the economics, including what the gross receipts will be, and on continuing access. If, as the Woodland Trust states, ownership is not the key, I should like to know what guarantees there can be about how management and commercial interests will fund the commercial forests. In the case of heritage forests, I may be being very simple, but I should like to know how the Government are going to fund investment in the charitable funds that will run those forests.

Sir Peter Soulsby: The hon. Lady has spoken about some of the public benefits delivered by the Forestry Commission, particularly with regard to flooding in her constituency. Does she seriously think that there is any prospect at all of any private operator being prepared to give guarantees that it will deliver the same public benefits, on flooding or other matters, that the Forestry Commission currently can?

Miss McIntosh: I take great heart from what the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Newbury (Richard Benyon), said. There is a large private estate in the heart of Thirsk, Malton and Filey that makes many investments for the public good and allows access. My concern is that I do not know the status of my area's forests, so I do not know whether I should be arguing for heritage protection or another type of protection, but I want to keep an open mind on the question of ownership.

I end with a plea to the Minister. If the consultation is to be worth anything, the Government must listen to, and act on, the tone and content of the responses.

5.36 pm

Helen Goodman (Bishop Auckland) (Lab): I begin by congratulating my hon. Friend the Member for Wakefield (Mary Creagh) on introducing the debate, because it is absolutely clear that the way in which Ministers incorporated the power to sell the forests in the Public Bodies Bill was designed to avoid parliamentary scrutiny. Furthermore, the Bill was published before the consultation document, which I suppose we can take to be part of the Maoist approach that the Government are now taking to the management of public business.

Hamsterley forest, in my constituency, is a Forestry Commission forest that has 200,000 visitors every year. It is the largest forest in County Durham and includes two sites of special scientific interest, Low Redford meadows and Frog Wood bog. A huge number of my constituents are concerned about what is going on, and they are right to be concerned.

One of the most important points about people being able to visit forests is that it makes them a source of economic regeneration. That is absolutely vital in many parts of the country. People need access for physical and spiritual restoration. What is the point of the Prime Minister giving speeches on the importance of well-being when he denies people access to the sources of well-being? He said in November last year about well-being:

"I am excited about this because it's one of those things you talk about in opposition, and people think 'well of course, you say these things in opposition, but when you get into government you'll never actually do anything about it'".

But the reality is on page 42 of the impact assessment that the Secretary of State published last week, which states that the Government

"did not see it necessary to carry out a Health and Wellbeing Impact Test, because if access is reduced at preferred woodland it is likely users would substitute their preferred woodland for another".

In other words, "Your wood is closed, go to the one 60 miles away."

The main problem with what the Secretary of State is doing is that she does not seem to understand the importance of landscape in developing our national consciousness and identity. She has seriously misjudged the national mood. In his wonderful book "Landscape and Memory", Simon Schama writes:

"If the entire history of landscape is indeed just a mindless race towards a machine driven universe, uncomplicated by myth,

metaphor and allegory, where measurement not memory is the absolute arbiter of value, then we are indeed trapped in the engine of our self-destruction."

He illustrates that point with a poster from world war two of somebody walking through the countryside, and the caption is, "Your Britain—fight for it now". That is true today, as well. Do the Secretary of State and other Ministers think it is an accident that Robin Hood has such a hold over the imagination of the nation's children? Of course it is not. It is because every child knows what eludes Ministers—that the forest is a place where we can be free. The Secretary of State evidently wants to take on the role of the sheriff of Nottingham.

Since 1500, the central argument on the true purpose of the nation's forests has been the same. It is a question of development or conservation. The Prime Minister is not the first to see the value of green photo opportunities. Charles I was always sure to be painted under a spreading oak tree. The similarity between them does not end there; Charles I was the last king to sell the Forest of Dean. The Prime Minister should reflect on what happened to him after that.

Alex Cunningham (Stockton North) (Lab): The Prime Minister is the one who promised the north-east that the region would suffer more than most from Tory policies. The Forestry Commission owns 67,000 hectares of forest in the region, more than anywhere else in the country. Does my hon. Friend agree that the Government have abandoned the people of the north-east, and now want to sell or give away their forest heritage and their play places?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Mr Cunningham, everybody quite rightly wants to intervene, but we have six minutes per speaker, and every time someone makes an intervention, another minute is added. All I am bothered about is getting as many Members in as possible. If we are to have interventions, they have to be short and very quick.

Helen Goodman: I agree with my hon. Friend. I notice that the heritage forests, which are to be saved, are in the south of England, not the north.

People need forests for the physical, mental and spiritual freedom that they get from them, but the Treasury has succumbed to what used to be called political arithmeticians. Nothing has changed. A parliamentary committee of inquiry in 1763 was told in evidence that there would be a loss of hedgerows and a decline in the linnet population. It is perhaps not a coincidence that Trevelyan, the great historian, became a founder of the National Trust. His view was that

"without access to wild nature the English would spiritually perish".

I am therefore calling on Ministers and the Secretary of State to stop this fire sale. The hastily-put-together retreat of selling the forests to community organisations is utterly ludicrous. Why should people pay for what they already own? The forest is a place for free spirits. Those spirits will not be quenched by this pathetic, mean, small-minded Government. The inestimable *Teesdale Mercury* has launched a "Hands of Hamsterley" campaign. I am calling on everyone who cares to come to Hamsterley forest on 26 February for the ramble in aid of keeping Ministers' hands off Hamsterley.

5.42 pm

Guy Opperman (Hexham) (Con): I live just outside Wark in Northumberland, which is at the centre of three historic forests—Wark, Redesdale and the mighty Kielder. That is barely to touch on the multiple other forests in the area, such as Slaley or Sidwood. Kielder alone covers more than 250 square miles and is a truly enchanting place. Without a shadow of a doubt, it is the green lungs of the north-east and the heart and soul of the Northumberland countryside.

Kielder is a very important local employer and one of the region's major tourist attractions, with more than 250,000 visitors a year. It is also home to several sites of special scientific interest; it is one of the last bastions of the red squirrel in England; it has species of birds from osprey to curlew; it has whiskered bats, otters and the magnificent roe deer; and it has cycling and the observatory. I could go on. I might sound passionate about Kielder forest, but that is because it holds a special place in the hearts of all who, like me, choose to call Northumberland home.

Ian Lavery: The hon. Gentleman says that Kielder forest is the green lungs of Northumberland, and it is the jewel in the crown of the county. Does he share my concerns that the proposals that the coalition Government are pushing forward will put Kielder forest in jeopardy?

Guy Opperman: I have some concerns and I need assurances on them. The key one is public access. For the reasons given by others, it is crucial that all public access is safeguarded permanently. With respect, that could be a deal-breaker. Biodiversity and long-term environmental management are equally important, as are jobs. This is not an area with a preponderance of other jobs. Above all, as we have all found through 500 e-mails each, people want a rethink, with all options potentially on the table. That means that people need to be flexible.

Claire Perry (Devizes) (Con): My hon. Friend knows Savernake forest in my constituency probably better than I do, and we share a great concern about biodiversity and public access. Does he agree that in specifically making those issues the underpinning of the consultation process, along with other key variables, we are doing a far better job to protect public woodlands than the last Government, who sold off 25,000 acres with no consultation?

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I did not make a ruling from the Chair for it to be breached. This is a very important issue to Members on both sides and many want to speak.

Guy Opperman: Each year, 475,000 cubic metres of timber are felled to supply local wood as fuel and to provide timber-intensive local businesses, such as Egger, which is the largest employer in Hexham. It has more than 400 employees. Kielder is a working forest, unashamed of its clearings and felled areas which, while not always postcard pretty, are replanted to provide a continuous cycle on which much of the employment and way of life and the whole ethos of the area are dependent. It is also the biggest employer in the north Tyne area.

[Guy Opperman]

I have worked closely with Northumbria Water, which is responsible for Kielder Water, the largest artificial lake in the UK. It sits at the heart of the forest. The development of these vast resources is already subject to a 25-year investment plan which has outdoor activities and all manner of other aspects of the environment at its heart. I find it hard to believe that that will be undeveloped and not taken forward, with a FTSE 100 company at the heart of the development.

Fundamental to this issue is ongoing access to walkers, cyclists, horse riders and a host of others. I hope that these plans will see an additional £31 million boost to the local economy, and several hundred new jobs in the next 10 years in an area where employment is far from guaranteed. I have genuine concerns that all that will be put at risk. I strongly urge the Minister to look closely at the proposals and to consider the many representations that I have received from my constituents who share my scepticism, and to reflect on the possible effect on this special place at the heart of my constituency.

Mr Graham Stuart (Beverley and Holderness) (Con): Like my hon. Friend, I have had many constituents expressing concerns about the Government's plans and the consultation. Does he agree that access and the maintenance of biodiversity are the crucial components, and we should not have dishonest misrepresentation about the proposals? People deserve to be dealt with honestly. I do not mind opportunism, but I cannot stand dishonesty—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We have heard quite enough. We need very short interventions. This debate will otherwise be very disappointing for constituents who are affected by the issue that we are discussing. Hon. Members should know better.

Guy Opperman: I have yet to be satisfied that a good economic case has been made, and with so much at stake I await genuine satisfaction that it will be made. I will fight the specific clauses that are linked to this issue in the Public Bodies Bill.

5.49 pm

Lilian Greenwood (Nottingham South) (Lab): I have been prompted to speak in today's debate by the tremendous anxiety expressed by so many of my constituents about the Government's proposals. I know that this is not a concern peculiar to residents in my city, but perhaps Nottingham folk feel it even more keenly because they regard themselves as the descendants of our great hero Robin Hood, who made his home in nearby Sherwood forest. I was going to say that Robin's hiding place, the 1,000-year-old Major oak in Sherwood forest country park, is safe from the proposals, because it is in a national nature reserve managed by Nottinghamshire county council and because even the council's aptly named leader, Kay Cutts, would not dare to take her axe to our famous forest. However, I read earlier today that the Government are shortly to begin a consultation on divesting themselves of the country's national nature reserves too, so, perhaps like many of our Forestry Commission local woodlands, the Major oak's future is not secure either.

Nottinghamshire has nine Forestry Commission woodlands, including the east midlands' largest tract of forest open to the public, Sherwood Pines forest park, which is just a few miles north of Nottingham. Sherwood Pines is a large mixed conifer and broad-leaf woodland with open spaces, heathland and pond, providing space for timber production, wildlife and recreation. I have been a regular visitor to Sherwood Pines since my children were small, and in that time I have witnessed the tremendous work that the Forestry Commission has done to encourage local people to get out and enjoy our beautiful countryside. There is a new café and visitor's centre, children's play areas, walking and cycling trails, a mountain biking area, an adventure course with ropes and zip wires, and, away from the centre, miles of peaceful woodland habitat and wildlife to enjoy. The forest is also used by many local schools, and the education service at Sherwood Pines was one of the first to be awarded a Learning Outside the Classroom quality badge.

Sherwood Pines is well developed as a visitor attraction, so perhaps public access would be secure, but what of the local woods that so many people enjoy, such as Blidworth woods, Haywood oaks, Silverhill wood, Boundary wood, Thieves wood, Oxclose wood and the Birklands? The Government tell us not to worry. The Secretary of State says that public rights of way and access will be unaffected, but can we trust this Government? My constituent Dr Chris Edwards certainly does not, saying that he has

"no faith in the promises being made to preserve access...this is the government that's broken every election promise it made".

This is the Government who promised to keep the education maintenance allowance and told us that there would be no more top-down reorganisations of the NHS—a Government who include Ministers who signed pledges saying that they would scrap tuition fees, but then voted to treble them. I would say that their promises are not worth the paper they are written on.

The Countryside and Rights of Way Act 2000 guarantees public access on foot, but as I have explained, the Forestry Commission has done much more than that, providing car parking, signage, visitor centres and leisure opportunities. The Government proposals contain no safeguards to guarantee that they will continue in the future.

Jim Shannon (Strangford) (DUP): Is there not something obscene about the sale of English woods and forests when the other regions of the United Kingdom—Scotland, Wales and Northern Ireland—have all decided to retain their forests, keeping rights of access and the right to roam for ever?

Lilian Greenwood: The hon. Gentleman is absolutely right: those are things that we should protect. We should seek to learn from countries that appreciate the value of those public assets. Indeed, recent experience tells us that we are right to be wary. Rigg wood near Coniston water was sold off last autumn.

Mr Aidan Burley (Cannock Chase) (Con): By Labour.

Lilian Greenwood: We should learn from things that we get wrong as well as from things that we get right. Indeed, what happened at Rigg wood, where there are

padlocks on the car park, is why so many people—85% of the public, according to recent polls—want us to keep our woodlands in public hands.

Those people include my constituent Donna, who works at a local country park, who said:

"I am quite shocked that the present government is planning to sell off our land—land that we have a right to keep free and open for us all to enjoy";

Carl, who has used forests all his life, who says:

"It grieves and horrifies me to hear that these beautiful places are going to be sold off and ruined forever, so that future generations will no longer be able to enjoy them as I have, please don't support this awful bill";

and Alison, another constituent, who described the potential sell-off as

"devastating for the people of Nottinghamshire,"

adding:

"Families are already feeling the effects of cutbacks in terms of affordable leisure activities for the whole family to enjoy".

Dozens and dozens of constituents have been in touch to express their concerns about the potential damage to native woodland species, habitats and wildlife, and especially to our national treasures such as Grizedale forest, Kielder and the Forest of Dean, and to tell me their stories of using local forests and woodlands, week in and week out, for dog walking, orienteering, rambling and even historical re-enactments. Others have talked about their passionate love of the outdoors, developed as a result of childhood visits to our local woodland. They recognise that the Government have a duty to protect access to areas of natural beauty and to ensure that these irreplaceable natural habitats and their wildlife can be enjoyed by future generations.

Richard Graham (Gloucester) (Con): Will the hon. Lady give way?

Lilian Greenwood: I will not give way to the hon. Gentleman. He has not been here for the whole debate.

Today in New York, the United Nations is launching the international year of forests, which is described on the UN website as "Celebrating Forests for People". Our Government seem to be out of step not only with public opinion here but with the rest of the world. Some things are too important to leave to the market. Our ancient woodlands should be for the whole nation, and kept safe for future generations, not sold off for a quick buck.

Richard Graham: Will the hon. Lady give way?

Lilian Greenwood: I have already said that I will not give way.

I hope that the consultation is genuine, and that the Government will rethink this deeply unpopular plan.

5.55 pm

Mr Desmond Swayne (New Forest West) (Con): I am an enthusiast of the Government's policy, but given the brevity of the debate, I shall restrict my remarks entirely to the opportunities for the New Forest that I see in the proposals. I have received a large number of communications, many of them very thoughtful, raising perfectly legitimate and proper concerns. I hope that the consultation will address many of them. What has surprised me is that the people who are the most vociferous in their opposition to the proposals are the very same people who stood shoulder to shoulder with me and my hon. Friend the Member for New Forest East (Dr Lewis) as we campaigned against the New Forest being shoe-horned into a highly inappropriate structure in the national park. I hope that those critics will look at these proposals with an open mind and wonder whether they might just be looking a gift horse in the mouth. There might be an opportunity to rebalance the interests of the forests that have been so shoddily disrupted by the creation of a national park. Within the Crown lands of the New Forest, there are already many private lands and private commons. Indeed, the National Trust itself owns two of the real gems: Hale Purlieu and the Bramshaw Commons. The land is not all owned and managed by the Forestry Commission.

I pay tribute to the fine public servants among the staff of the Forestry Commission who have been responsible for the stewardship of the New Forest, but we cannot hide from the fact that there have been enormous problems. The fact is that I have constantly had representations about the impact on ancient and ornamental woodlands, and on archaeological sites, of commercial forestry operations. I have endured arguments about the impact of the campsites—and their increasing commercialisation—on the local communities and on the habitats. I have also endured controversies—here is the humbug!—regarding the disposal of New Forest properties under the last Administration, and I brought one of those cases to an Adjournment debate in the House to raise the disgraceful way in which that property was disposed of. I endured the absolute furore when the Forestry Commission brought forward proposals to restrict dog walking in the New Forest. My hon. Friend and I were able to see off that threat.

Keepers of the New Forest have beaten their way to my door to complain about the way in which the byelaws of the forest were being flouted and not enforced. I have also had complaints about the way in which the skills, the stature and the place of the keepers are being diminished and downgraded. I do not lay any of these complaints and problems at the door of the management of the New Forest by the Forestry Commission in Queen's house. However, the reality is that the Forestry Commission is headquartered in Edinburgh, and those who manage the New Forest report to Edinburgh. I want to see an arrangement whereby we have much more local control over the forest.

I offer a word of caution about the possibility of the National Trust stepping in. As I have said, it already manages part of the forest. I do not want another national organisation with a national strategy and a national vision. The New Forest is unique and what I would like to see is something along the lines of what we have in Queen's house in Lyndhurst—perhaps even with exactly the same staff and personnel who currently manage the forest there—but reporting not to a board in Edinburgh, but to a board in the New Forest representing the proper interests of the New Forest, and particularly those of the people who have always safeguarded the forest and been responsible for the law of the forest—namely, the verderers.

Such a board, however, could not possibly be the board of the national park authority, which has, by its own choice, made itself a planning authority almost

[Mr Desmond Swayne]

exclusively concerned with development control. It could play no part in this process, but I say again to my hon. Friend the Member for New Forest East, and also to opponents, that there is an opportunity here for us that we would be foolish to pass up.

6.1 pm

John McDonnell (Hayes and Harlington) (Lab): It is difficult to follow that. Let me be as brief as possible. I commend the hon. Member for New Forest West (Mr Swayne) on referring to the staff of the Forestry Commission. It was a shame, however, that the Secretary of State never said a single word about the staff; indeed, it was more than a shame—it was a disgrace. The staff of the Forestry Commission are extremely loyal and they have built up expertise over time.

I chair the Public and Commercial Services trade union parliamentary group. I have a representation from the president of the PCS branch at the Forestry Commission. It is worth our while listening to what he wanted Parliament to hear. He says that the staff

"have spent their entire careers, a lot of them, in the FC and are deeply traumatised at the prospect of losing their jobs."

Sir Alan Beith (Berwick-upon-Tweed) (LD): I very much endorse what the hon. Gentleman says about Forestry Commission staff, but as a constituency MP, I have seen the Forestry Commission in Northumberland shed good quality, experienced staff over many years, and whole villages that were built for forestry employees no longer have a single Forestry Commission employee living in them.

John McDonnell: I understand the right hon. Gentleman's point and I have shared his concerns over the years as well.

The PCS president continued:

"For many there is no prospect of picking up other work because the economy is in such a poor state that there simply isn't work as all of the other public services also have to make cuts...Staff in the FC are unique; they regard their jobs as vocational. They are amongst the most loyal and committed that I have ever seen."

Most of us would share that viewpoint and want it to be placed on the record. Where we have loyal staff, I believe they deserve some loyalty from us, as their employers, as well.

The current position has been mentioned, but not as starkly as I am about to put it. The 25% cuts from the comprehensive spending review mean that from a staff of 1,400, between 300 and 350 will lose their jobs. About 29% of the cuts relate to Forest Enterprise, which manages the estate. Already 256 jobs are notified as being lost in that section. Moreover, in the Forestry Authority and Forest Research, at least 40 to 50 and possibly more jobs will be lost as the 19% cuts takes place. The organisation is structured in those three elements: Forest Enterprise, Forestry Authority and Forest Research. Expertise, however, has been built up in the whole organisation so that one feeds information to the other and the expertise becomes interchangeable. By breaking up the organisation, as the Government propose, the bulk of the work within Forest Enterprise will be sold off either to the private sector or to charities and others. The expertise will therefore be cut off from the regulatory authority section of the Forestry Commission as well as from the research element.

Richard Graham: I hear what the hon. Gentleman says, but given that the debate is about the future of our forests, it is vital for Members in all parts of the House to recognise that heritage forests such as the Forest of Dean—which is next to my constituency—are not for sale, and that whatever the outcome of the consultation, access rights and biodiversity will be preserved for ever.

John McDonnell: As I have said, we need to recognise that these forests have been preserved for us by staff who have worked for us for generations over the last century. In my view, failure to discuss the staff undermines the Government's duty of care to those people who have served us so well.

Mr Graham Stuart: Will the hon. Gentleman give way?

John McDonnell: Will the hon. Gentleman allow me to continue? Other Members wish to speak.

The consultation document contains only one paragraph that deals with staff. It states that the Transfer of Undertakings (Protection of Employment) Regulations will apply to the transfer of any of them. However, as we know from other privatisations and sell-offs, TUPE does not prevent a new employer from laying off staff in due course. It does not protect pay and terms and conditions in the long term.

Mr Stuart: Will the hon. Gentleman give way on that point?

John McDonnell: No, I will not.

TUPE does not even protect pensions. There is nothing to prevent a new employer from laying off staff while also undermining their conditions and pensions. I urge the Government to address the issue of their future. When I looked at the impact assessment to see whether there was any reference to it, I found that the only reference in the first seven pages related to redundancy costs. It reads as follows:

"Transition costs of redundancy, TUPE and possible further professional fees have not been quantified."

That is repeated six times. It appears on each of the first seven pages of the document.

There are real anxieties among this group of expert staff about their future. There are anxieties about a transfer to the voluntary sector. Most Members have been involved with charities—most of us have served on their boards—and we know how difficult it is to maintain a charity. In any charitable or voluntary organisation, about 30% of the time is spent on trying to find funds for future years.

Mr Sheerman: I chair a charitable trust, the John Clare trust. We hoped to buy some woodland, but were told that the cost of managing woodland is 10 times the purchase price. Managing woodland is very expensive, and charities will not be able to do it.

John McDonnell: When charities encounter difficulties in these circumstances, they will be forced to make further savings like any other organisation, and the only savings that they will be able to make will be secured by further staff cuts. The House must understand the insecurities that exist among this group of people. I also believe that the sell-off will degrade the overall expertise that has been built up over the last century, and that as a result the very management of the forests will be put at risk.

The management met the staff and unions this morning. People were dismayed; and yes, a number of union representatives have said that, if necessary, they will resort to industrial action in an attempt to protect their jobs. I believe that it would be the first occasion on which industrial action had taken place in the Forestry Commission. That should demonstrate to Members the depth of the anger that exists about how these people are being treated. They are being treated like chattels rather than as the staff who have been so loyal to us over the last century.

6.8 pm

Mr John Leech (Manchester, Withington) (LD): I am glad to have the opportunity to take part in the debate.

Although my constituency may not be the most directly affected by the proposals to sell off or lease woodland currently owned by the state, the issue has attracted considerable interest among hundreds of my constituents who are rightly concerned about the impact that such a sale might have. There is little doubt that there has been much speculation, and even scaremongering, about what may or may not happen to public forests. I have received hundreds of e-mails from constituents, some of whom have been led to believe that whole swathes of woodland will be razed to the ground to make way for housing developments, golf courses and leisure clubs.

John Woodcock (Barrow and Furness) (Lab/Co-op): Will the hon. Gentleman or any of his colleagues emulate his party's president, the hon. Member for Westmorland and Lonsdale (Tim Farron), in ripping up the Public Bodies Bill and voting with us this evening?

Mr Leech: I am not sure whether to thank the hon. Gentleman for that intervention, but we are not voting on the Public Bodies Bill today; we are voting on an Opposition day motion. I shall go on to discuss how I am going to vote.

Other constituents have sent e-mails suggesting that forests are going to be closed off to the public and surrounded by 10-foot fences, but that is clearly not the case. Unfortunately, the Labour party has been complicit in this misinformation and shameless in its attempts to scare people into believing that the future of our forests is under threat. Instead of participating constructively in the consultation on the future of our woodland, Labour Members simply choose to try to score cheap political points by tabling an Opposition day motion to grab the headlines. That is why I certainly will not be voting for Labour's motion and why I will support the Government's amendment, which exposes the disgraceful sell-off of thousands of acres of public woodland by the previous Labour Government without any of the protection being put in place and promised under the coalition Government's consultation. However, I wish to go on record as welcoming the measured comments made by the hon. Member for Hayes and Harlington (John McDonnell) about staff at the Forestry Commission, which should be added to the consultation process.

Mr David Anderson (Blaydon) (Lab): Does the hon. Gentleman agree that people would take the consultation more seriously if it was a genuine debate about whether or not we take these forests out of public control, rather than how we do that, as it is now? The public want this to be about "whether or not", so that they could tell us not to do this.

Mr Leech: I thank the hon. Gentleman for his intervention. I endorse this as a proper consultation, and I hope that everyone who has an interest in this issue will participate in it and put their views clearly on the record.

I will never support the sell-off or leasing of woodland if I think that it will be detrimental to the long-term sustainability of the woodland and its biodiversity, and will threaten the access that people have enjoyed over a long period. What better safeguards will Minister's introduce to protect the land and access to it compared with those that we already have? These forests will outlive all of us in this Chamber today and the public want to know how long these safeguards will be in place. Can I be assured that, whichever organisation might take on the running of a public forest, these safeguards will remain in place for not only our lifetime, but centuries to come?

Neil Carmichael (Stroud) (Con): I have received more than 400 comments about these proposals, so I am keen for the consultation exercise to go ahead. I am thinking of holding a meeting in my constituency to meet all 400 contributors, because this is important. I wish to raise the following questions: first, can I be absolutely sure that communities—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Mr Carmichael, I have tried to tell everybody recently that we want short interventions, because we want to get as many people in as possible. Indeed, people who are speaking do not have to take the full six minutes or interventions.

Mr Leech: Guaranteeing the future of the woodland is important, but so, too, is the guardianship of that land in the meantime. There is a real fear that the trend to improve the forests will fade over time. What assurances can the Minister give that the woodland will not just be maintained as it is and that the new owners will be compelled to improve both access and the natural habitat? The public estate enjoys 40 million visits a year, a quarter of it is dedicated as a site of special scientific interest and it hosts a wealth of biodiversity. None of those things should be under threat, and they must flourish under this coalition Government.

One of the big unanswered questions is whether or not the private ownership or leasing of forest land will make the savings that the Government anticipate. I am not convinced that these proposals will save any money; they may end up leaving the Government with a bigger bill to maintain the forests, because the sale or lease of commercially attractive forests will mean that their revenue is no longer available to subsidise the running

[Mr Leech]

of heritage and other loss-making forests. That was the only sensible point made by the shadow Secretary of State.

Greg Mulholland (Leeds North West) (LD): Does my hon. Friend agree that Ministers simply have not allayed the very real fears in this country and that we need assurances from them that the consultation process is genuine and that decisions have not already been taken?

Mr Leech: I do. One problem is the fact that the Opposition have tabled the motion at this stage rather than allowing the consultation to take place so that people can have their say and a proper, sensible decision can be made following the consultation.

I do not think we should be too precious about the model of ownership of our forests. The previous Government could not be trusted to safeguard the future of the public forests that have been sold off in the past 13 years. It is certainly not the case that the forests would be safer in Labour hands. Many might argue that the future of the forests would be more certain if they were run and managed by organisations such as the Woodland Trust or the National Trust. It is not the model of ownership that we should be precious about but the people, including the staff, and the organisations that might run the forests.

In my constituency, after the previous Labour Government closed my local hospital, Withington hospital, Paupers wood on that site was put up for sale. Like many others, I expressed grave concerns about what that might mean for the future of that relatively small piece of woodland. However, the sale of that land to one of my constituents, Mary, resulted in enormous benefit for the community. That area of woodland, which had not been maintained for years and had been inaccessible to local people, is now available for local community groups to enjoy and for schools to use for outdoor classrooms. The woodland is well managed and is now sustainable for the future. That would not have happened without that sale. It is not simply a case of public ownership being good and private ownership being bad. This debate should be about what is best for individual woodlands and communities and about securing the future of our forests for generations to come.

6.17 pm

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a great pleasure to follow the hon. Member for Manchester, Withington (Mr Leech), who, along with the hon. Member for Hexham (Guy Opperman), has laid out some of the problems confronting the Government's proposals. It is a source of legitimate confusion that a party whose new symbol is the oak tree is involved in this extraordinary sell-off of our forests. It was chosen as a symbol of the Tories' newly discovered environmentalism, belief in British strength and protection of our heritage, but that all seems a long time ago now.

The Government seem to have been taken by surprise at the outburst of concern about their proposals. I think it was Harold Macmillan who said:

"First of all the Georgian silver goes. And then all that nice furniture that used to be in the salon. Then the Canalettos go."

This Government have surpassed Mrs Thatcher and are now selling the wood that built the furniture that was in the salon. In my view it is a grave error, for which there is no support or mandate.

Mr Jim Cunningham (Coventry South) (Lab): I am sure that my hon. Friend will recall that a previous Conservative Government sold off the playing fields. This is phase two—selling off the trees and woodlands.

Tristram Hunt: I thank my hon. Friend for making that point. The Conservatives have, as they say, previous in this field.

Since the announcement of this Opposition debate, the internet and other social networking sources have come alive with people hoping to save their local forests. Cannock Chase, near my constituency, now has a Facebook site with 2,500 supporters. A YouGov poll suggests that 84% of people oppose the sale. The Secretary of State says that people simply do not understand the proposals and have been misled by the media, but we do understand the Government's plans and we do not like them, because they will limit public access. The hon. Member for Manchester, Withington spoke about access being allowed to a forest in his constituency, but as my hon. Friend the Member for Brent North (Barry Gardiner) says, that was because of principles and legislation that Labour put in place to make sure that access was preserved.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): The issue is not only the potential private ownership of woods, but the nationality of the private company that might own those woods.

Tristram Hunt: The matter becomes difficult when we think about where many of our trees have come from. I take my hon. Friend's point, but the forests and woodlands have come into this country from many sources across the world .

I shall touch briefly on something mentioned by my hon. Friend the Member for Bishop Auckland (Helen Goodman): the forests and woodlands are a great matter with regard to our national identity. The Government are striking at something very particular to English identity and British identity. In the 18th century the idea of the British heart of oak recurred on pub signs and in pamphlets. It was a bulwark against Catholic absolutism. According to Simon Schama the very idea of Britain, which was new in the late 18th century, was planted with acorns. In 1763 Roger Fisher—a disciple of John Evelyn, the great 17th-century arboreal enthusiast —published "Heart of Oak, The British Bulwark", in which he argued that empires rose or fell depending on the dearth of the sovereign hardwood.

As Government Members have pointed out, this Government are not the first to try to offload our national forests. King Charles I, in the 1630s, tried to do the same. Again, it was an attempt to limit public ownership: with the forests went the common lands, the moorlands and the wetlands of East Anglia. This is a tradition in Toryism that Opposition Members recognise and do not like. The point of this history is to suggest that this is a shared inheritance, and we are particularly worried about access in the context of the Government's plans.

Jeremy Corbyn (Islington North) (Lab): What my hon. Friend is saying is fascinating and excellent. Does he recall that the Forestry Commission was established because of the loss of so much forest cover in this country, designed to recreate the environment that had been destroyed by previous generations and their greed?

Tristram Hunt: Absolutely. I do not accept the idea that the state intervening in the control of forests is somehow an evil. I regard it, in many situations, as a virtue.

Let me move on briefly to the situation facing Cannock Chase, which is the woodland that my constituents in Stoke-on-Trent Central like to enjoy. We have heard Ministers provide special securities for the heritage forests, but Cannock Chase does not fall into that particular category. However, it contains precisely the kind of forest that the Woodland Trust is most concerned about—that mixture of ancient habitat, conifer and recreation. Over the past few years the Forestry Commission has opened up access to it, with more and more enjoying it. The idea that local community groups will be able to compete at market value for the same amount of land is simply not credible. There is a lot of talk about community groups having special provision, but history simply does not show that. When we look back at previous Conservative-led Governments, we see that hundreds of thousands of acres were sold off.

The debate points to the core of the Government's notion of the big society, and there is a hole in the middle of it as large as that in which King Charles II hid from the forces of republicanism. It will take investment—a belief in social capital and in capacity—if those community groups are to be built up to manage our woodlands. Nothing in the consultation or the Public Bodies Bill suggests that that is anywhere near the mind of this Government.

6.24 pm

Dr Julian Lewis (New Forest East) (Con): At the end of the classic film "It's a Wonderful Life", the James Stewart character is taken back to see what would have happened to his home town, Bedford Falls, if he had never lived. He discovers that it would have been cheapened, commercialised and degraded. Indeed, even its name would have been changed to Pottersville after the greedy grasping capitalist who was the villain of the film. I know that no one would wish to see any such fate befall the New Forest, but there is huge concern in my constituency that steps may be taken in that sort of direction.

I had an early start this morning. I had to go to the New Forest and get back in time for the debate, because I was attending the funeral of my constituent and friend, Mr Mike Gilling. Mike was the sort of person who, by anyone's definition of a society, big or not, put into it far more than he took out of it. It was therefore not surprising that there was a wide spectrum of mourners at that funeral, representing a good cross-section of the people of Hythe, which is on the edge of the New Forest. Did any of them come up to me after the funeral and say, "Julian, I really think you should be supporting these proposals that the Government are putting forward for the New Forest"? Not one. Did anyone come up to me and say, "Julian, I do hope you're going to speak out against these proposals this afternoon in the debate"? Quite a few.

I did not just go by an, as it were, self-selecting sample like that. Nor did I just go by the self-selecting sample of people who have written a sheaf of letters to me, even though the balance is still dozens on one side of the argument and not yet a single letter—the Whips Office had better get cracking and find someone in my constituency so that I cannot say this again—in favour of the Government's proposals. No, I am afraid it is all anti.

I did not rely even on those two samples, the small one and the larger one via the correspondence. I also spoke to one of the most senior figures in the New Forest, who has all the expertise that I freely confess I lack. What he said to me was that everybody in the New Forest who is involved in its administration in various types, capacities and dimensions is in a state of deep shock; that the status quo is unanimously preferred; and that, if there is a consultation, we had better hope that it is a genuine one, because then, on the basis of the sampling that I am seeing so far, there will be an overwhelming series of representations against what is proposed.

Neil Carmichael: What I would like to know is what will happen to multi-purpose woods—those which are commercial, heritage and used for recreation.

Dr Lewis: My hon. Friend will find that I am coming to that very point. There are two models according to which the New Forest can be run. There is the old model, with many sources of power intermixing, interacting and influencing each other, and there is the overarching model, with some authority in place to which everything else is subservient. My dear and hon. Friend the Member for New Forest West (Mr Swayne) was right when he said that we stood shoulder to shoulder to battle against the national park authority being imposed on us, because we felt that that was an overarching model rather than an interacting model of different organisations.

That is where I fear my Front-Bench team has lost its way. It is not as if the Forestry Commission has, or ever has had, overall control. The Forestry Commission is one of a number of bodies in this universe, along with the verderers, the New Forest Commoners Defence Association, and voluntary bodies such as the New Forest Association, all of which have to work together and persuade each other before they can go forward. The Forestry Commission is not just about commerce or timber; it is also about conservation and disease control.

Dr Sarah Wollaston (Totnes) (Con): Does my hon. Friend share my concern that when phytophthora ramorum, otherwise known as sudden oak death, is starting to devastate large forests and mixed woodland, it is not the right time to do something that might put at risk measures to control it?

Dr Lewis: I share that concern. It comes back to the exchange that I had with the Secretary of State during her initial contribution. There is a deficit in the running of the New Forest, and there is a good reason why there is a deficit. It is precisely because the Forestry Commission has duties, such as trying to address matters concerning disease and matters concerning conservation, as well as trying to make what profit it can from the commercial management of the timber industry.

[Dr Julian Lewis]

When we consider what the future holds, we are told not to worry because either the Government will be convinced that a new or existing charitable trust will be able to take on the burden, or they will not give up the forest and it will remain in public ownership. This is not dissent; this is me participating in the consultation. Here is my answer: do not give up the forest or give it to a charity, either a new one or an old one, because they will be unable to take on the £2.9 million deficit. If the Government say, "Don't worry, we'll pay for that," why the heck are they bothering to make the change? We really do not need this.

There is particular concern about the Public Bodies Bill. The New Forest has traditionally always been governed by its own legislation, which is laid out in the New Forest Acts, but there are provisions in the Public Bodies Bill that look as though they will take precedence over those Acts. If I seek any assurances at all from those on the Government Front Bench, it is an assurance that no provision in that Bill will have supremacy over the provisions of the New Forest Acts. It is terribly important that we have a constellation of organisations and that the verderers are able to say no. We need a sort of mixed economy, with neither statism on the one side, nor total privatisation, or hand-over to a private organisation or charity, on the other.

John Pugh (Southport) (LD): Will the hon. Gentleman give way?

Dr Lewis: No, I will not.

I must say that I am getting a bit fed up with being put in this position, as this is not the first time. At the general election there were Liberal Democrats who pledged in good faith that they would not raise tuition fees, and yet they have had to treble them, and there were Conservatives, like me, who pledged in good faith that the nuclear deterrent would be safe, yet we have seen its confirmation put off until after the next election. Now we have this measure, which I do not think was in any party's manifesto. Much effort has been put into ensuring that the Conservative party is no longer seen as the nasty party. We may no longer be the nasty party, but I do not want the new party that I understand some people are trying to form—a strange permanent coalition of Conservatives and Liberals—to get the reputation of being the party of nasty surprises. This is a nasty surprise, and we can do without it.

6.32 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): I seem to spend a lot of time following the hon. Member for New Forest East (Dr Lewis) and agreeing with his criticism of his party and the Government on the nuclear deterrent, so it is a great pleasure to follow him and agree with his criticism of the Government Front-Bench team on the issue of the nation's forests.

The Secretary of State, in her rather long speech, invited Members to go to Grizedale forest and have a look around to see what they think. I wish that she had been there last Sunday for the rally that I attended, as did Lord Clark of Windermere and the hon. Member for Westmorland and Lonsdale (Tim Farron), whose constituency neighbours mine. We all spoke at the rally and saw the great, diverse and angry crowd of people who gathered to make their points. I have been surprised by the tone adopted by many Members who have participated in the debate, because the people who attended the rally were not in the main Labour party supporters—I have been to a few Labour rallies and trade union do's. Although there were many Labour party members present, there were voters for all parties there. Indeed, if one party represented there was in the majority, I speculate that it probably was not my own.

Those people did not feel that they had been duped, and if anyone had put it to them that they were being dishonest in their concerns, I think that they would have given the accuser very short shrift. They are people who honestly and rightly believe that the rights of access that they are vaguely being promised through the consultation are not worth banking on. They are people who, because of the huge deficit that the hon. Member for New Forest East so amply laid out, do not buy the idea that there could be a great renaissance in the voluntary sector, in charitable bodies and in people coming together to buy woodland. They believe, absolutely rightly, that they already own that land; it is owned by the British people.

We all know, from the past 13 years, that we cannot have a referendum on every issue—on the many difficult things that people disagree with. On an issue as fundamental as this, however, we have to have the consent of the people before we go ahead. On Sunday, like the thousands of people who have made their views known and written to hon. Members, people at the rally made it very clear that the Government simply do not have that consent and should think again.

I hope that Liberal Democrat Members will pay heed to the stand that their party president, my constituency neighbour, the hon. Member for Westmorland and Lonsdale, has taken, and consider voting with us today and in opposition to the Public Bodies Bill, on which the hon. Member for Thirsk and Malton (Miss McIntosh) made a good point, when she noted the potential dangers in relation both to this issue and to others if we go down that route. Ultimately, however, on that and on many other measures going through the House, such as that on tuition fees—I am thinking of all the other broken promises that we have seen—there are only so many times that Members, who undoubtedly have genuine grievances with what their party and Government are doing in their name, can credibly go to their constituents and wash their hands of it. Eventually, every Government Member, but the Liberal Democrats in particular, will have to account to their constituents and parties for the way in which they have propped up the Government.

Karl Turner (Kingston upon Hull East) (Lab): Does my hon. Friend agree that this is an opportunity for Liberal Democrat Members not to break their promises but to come along and vote with us on the issue?

John Woodcock: Yes, it is. I hope that many Liberal Democrats do so today and on the Public Bodies Bill, because no Member, unless they have not checked their e-mail or post, can have failed to see the anger about this issue. I hope that they act on it with us and take into account what their constituents are rightly telling them, but ultimately they will have to take into account what they are doing daily to prop up the Government, who are not listening to the British people, and act accordingly.

6.38 pm

Sir Peter Soulsby (Leicester South) (Lab): The Forestry Commission is a British success story. I say that deliberately, because although we are talking about England's forests, as my hon. Friend the Member for Edinburgh North and Leith (Mark Lazarowicz) reminded us, the Forestry Commission operates throughout the United Kingdom, and weakening it, as the Government are doing in the measures before us, will have an impact throughout the UK.

The Forestry Commission, as we were also reminded, was set up in 1919, and its core business originally was the production of pit props. Those days are long gone, however, as are the days when it planted insensitive and destructive plantations of parade ground conifers that marched across our hillsides.

Over recent years, the commission has been at the forefront of rural protection. My hon. Friend the Member for Ogmore (Huw Irranca-Davies) and several other hon. Members drew attention to its work on the stewardship of the natural environment, on which it has set an example to other organisations.

The Forestry Commission has shown genuine concern for the environment and has put it at the heart of its work, and it has given the highest priority to the protection and enhancement of biodiversity. As several hon. Members reminded us, particularly my hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt), it has been particularly successful in opening access to its estate, even to those parts that it does not own but leases. One of the major concerns as this process goes forward is what will happen to that access. At the moment, the estate has some 40 million visitors a year. They go there not only to walk, ride and cycle but to have their experience enhanced and interpreted by the Forestry Commission in producing educational material.

Those are all outstanding achievements for the Forestry Commission, in the course of which it has been able to reduce its dependency on public funds. The hon. Member for Brighton, Pavilion (Caroline Lucas) drew attention to an outstanding aspect of its record—it is the only state-owned forest in Europe to have been declared truly sustainable. As she said, the whole of the public forest estate has received Forest Stewardship Council certification and, as such, is recognised as being managed responsibly. It is significant that, when questioned on this, the Minister of State has been completely unable to guarantee that attaining such certification will be a requirement for those who might take over its ownership and management. He has described that as being something that will be optional for them, which means, of course, something that they will not wish to subscribe to.

Throughout this debate, we have struggled to understand the reason for what the Government are doing. The first reason given by the Secretary of State—*[Interruption.]* She says that we do not understand; well, perhaps the Minister of State will explain it to us. Originally she described the sale as something that would fill the black hole in the flood defence budget. That was until she realised that the cost to the Government of subsidising other people to manage the forests would far outweigh any of those proceeds. Indeed, the impact assessment published today makes it clear that in fact the Government stand to make a net loss from the sale of these forests, and that the burden on the public purse will be greater as a result of their disposal, not less.

When that excuse wore thin, the Government turned to the explanation that this was about allowing communities and environmental groups to manage the land—the big society. That was until most of those bodies realised, as has been confirmed today, that they would have to meet the market price to purchase the land and that they would be scraping around for years afterwards to try to pay for its upkeep—for the assets and liabilities that they would be taking on.

Only when the Secretary of State realised that neither of those two explanations for the Government's action had any credibility were we given the spurious reason that it was necessary because of the failings of the Forestry Commission constitution. Significantly, we did not hear that from her until today, but we have heard it on several occasions recently. It was mentioned briefly today by the Prime Minister. The argument is that there is some inherent conflict of interest in the Forestry Commission that makes it unable to carry out the role that is given to it. We have heard no evidence that such a conflict of interest gets in the way of the commission doing its work. All we have heard is that it is a very successful organisation that is performing an admirable duty in protecting our forests and enhancing their biodiversity, and ensuring that we, the public, have access to them.

First, it was the money, then it was the big society, and then it was the alleged conflict of interest. I hope that the Minister will give us the real reason for this, because there is widespread suspicion that we have not heard it. I understand that he has let slip one of his primary motivating forces—that this is unfinished business; even though Baroness Thatcher thought of selling off the forestry estate, she never had the determination to carry it through. For her, privatising our nation's forests was one privatisation too far. The people of England, whether they be walkers, cyclists, riders or just ordinary people who care about our natural woodlands, are united in saying no to that privatisation.

It is clear that the Government's use of the big society to justify the policy is a sham. This is not about new opportunities for public participation or new ownership models. It is not about giving preference to local people, because they would have to bid for the land alongside international logging companies.

We have heard about the position of heritage forests such as the New Forest and the Forest of Dean. I want to put on record what the Government's consultation paper says about those forests. It states that they might be handed over to charities, but that those charities

"would be expected to become less reliant on Government support over time."

What charity or trust in its right mind would take on the liability of the New Forest or the Forest of Dean if it were expected to make savings over time?

My hon. Friends the Members for Bishop Auckland (Helen Goodman) and for Nottingham South (Lilian Greenwood) spoke about Robin Hood in the context of the forests. My hon. Friend the Member for Nottingham South described the sale of these assets as mean and small-minded. To that, I add stupid and destructive.

The sale of our forests and woodlands is opposed by 84% of the public. The Secretary of State was dismissive of public opinion, but 300,000 people have already signed a petition against the sell-off. I wonder whether

[Sir Peter Soulsby]

she is dismissive of the people because she thinks that they do not understand what she is doing. That point has been made by some Members, who have said that there is scaremongering. I suggest that most Members know that the people understand only too well the threat of what the Secretary of State is doing to our precious forests and woodlands.

In this comparatively short debate, we have only begun to reflect the concern and anger of people up and down the country about the future of our precious forests and woodlands. Our woods and forests are just that—ours. Of course the Forestry Commission must continue to be commercially effective, but it must also be there to protect our access as walkers, cyclists and riders in our forests, to continue its excellent work in education, and to protect and improve forest habitats. As my hon. Friend the Member for Hayes and Harlington (John McDonnell) reminded us, it must have the staff and the scientific expertise to carry out its wider public duties as an adviser and a regulator.

Forests were indeed sold off while Labour was in government, but the first tranche of sales planned by this Government involves 10 times more land than was sold off in the last five years of the Labour Government. Those sales made possible the purchase of land to plant 1 million trees in Wigan, 2 million in Warrington, 2 million in St Helens, 1 million in Moseley and 1 million in Ellesmere Port. Every penny went back into forestry, not to fill a black hole in the Secretary of State's flood defence budget.

The protests about this issue are only beginning. They will go on until the Government get the message. Members from all parts of the House will continue to get the message from their constituents. We have heard brave words from the hon. Members for Hexham (Guy Opperman) and for New Forest East (Dr Lewis), who spoke with authority and conviction on behalf of their constituents and their beloved forests.

George Freeman (Mid Norfolk) (Con): Will the hon. Gentleman give way?

Sir Peter Soulsby: I do not have time, I am afraid.

Those Members reflected this evening a message that we will all hear in the weeks and months to come—that these are our woods and our forests, and they are precious to us all. They must remain open to the public, protected for the public and owned by the public.

6.50 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): A lot of issues have been raised in the debate, and I intend to respond to as many as possible. I undertake to write to hon. Members who have asked specific questions if I do not have time to answer them all.

We have heard speculation about all sorts of risks to aspects of forests if our proposals go ahead. I hope in the next few minutes to be able to debunk most of that nonsense. Those risks have been invented for totally spurious reasons. I stress that this is a consultation, and that it will last for the full 12 weeks, as is the convention. During it, we will listen to many of the organisations referred to this evening that have an interest in the matter, and I will personally discuss it with them.

We have repeatedly stated that existing public benefits will be protected in any transaction. I shall return to that point later. I also emphasise that the programme that we propose will take 10 years. It is not, as one Member suggested, a fire sale; it is a long and transitional but dramatic change in the ownership and management of Britain's farms and woodlands. If we are not satisfied with any offer that comes forward, there will be no deal on the forest in question.

I am afraid that the hon. Member for Wakefield (Mary Creagh) demonstrated a considerable lack of true knowledge. *[Interruption.]* If Labour Members wait, they will hear the reality. She asserted that there was no information available about the area of ancient woodlands involved—it is 53,000 hectares, for her information—and, contrary to what she said, SSSIs are included in the mapping process. She also went on about Labour having sold only a net 4,000 hectares, but the fact is that it got rid of 9,000 hectares without adequate protection for public benefits.

Mary Creagh: Will the Minister give way?

Mr Paice: On the issue of—[Hon. Members: "Give way!"] No, I am not going to give way.

On the issue of funding, the reality is open for us to see in the Forestry Commission's accounts. It costs £17 million a year to run the Forest Enterprise in England, excluding research and regulatory costs.

Barry Gardiner: Will the Minister give way?

Mr Paice: No.

We get just a £1 million surplus from commercial logging activity. That is one of the drivers of the change. The commercial timber sector tells us that if it could have access to our commercial forests, not the recreational ones, it could do better and would return the improvement to us through the lease.

Barry Gardiner: Will the Minister give way?

Mr Paice: No, I am not going to give way.

Barry Gardiner: On a point of order, Mr Speaker. I tabled a parliamentary question for named day answer on 31 January, seeking to elicit information from the Minister. My office phoned the Department today only to be told that it was waiting for the Minister to—

Mr Speaker: Order. That is not a point of order for the Chair, and it is not a matter to be dealt with now.

Mr Paice: Somebody referred to the opportunity for wind farms, and we have just heard some more.

A number of Members referred to people's rights, and I wish to spend a few moments explaining where we are on access. Permissive rights have been mentioned, and I have to stress that very little of the forest estate carries such rights. I suspect that Members are confusing them with dedicated rights under the Countryside and Rights of Way Act 2000. Some 2,000 hectares of land carries permissive rights, and that is all land that is held

on 999-year leases. Of the land that we actually own, 90% has dedicated access, which cannot be extinguished. Indeed before transfer, we could and would enhance that provision to cover any forms of access not already covered by it.

The hon. Member for Leicester South (Sir Peter Soulsby) suggested that the Government are weakening the Forestry Commission, but nothing could be further from the truth.

Frank Dobson (Holborn and St Pancras) (Lab): Will the Minister give way?

Mr Paice: I am not giving way to the right hon. Gentleman because he has only just come into the Chamber.

The Forestry Commission will have its role altered over time, as this period transpires. We want it to concentrate on regulation, advice and research, and on promoting the wider planting of trees. Let us not forget that the under the last five years of the Labour Government, tree planting in this country fell by 60%.

A number of hon. Members referred to the Forest Stewardship Council. I can assure the House—I am happy to give this guarantee—that the council's certification scheme will remain a condition if we transfer any forests that are currently subject to it, as they all are.

My hon. Friend the Member for Hexham (Guy Opperman) understandably wanted assurances and called the issue of access "a deal-breaker". I can assure him—I promise him—that access as it currently exists will be guaranteed. I cannot make it any clearer than that.

Mr Steve Brine (Winchester) (Con): Access is the key point in the hundreds of communications that I have received. Does the Minister agree that over the course of the consultation, the challenge for Ministers is to make the case on access to the hundreds and thousands of people who are e-mailing hon. Members?

Mr Paice: I cannot say it more clearly than I just did. We will guarantee existing rights of access on any land that is moved away from its current operation.

My hon. Friend the Member for Hexham also rightly referred to jobs in his area—specifically to those at Egger—as did the hon. Member for Hayes and Harlington (John McDonnell). I do not often agree with the latter politically, but I respect his passionate belief in the interests of the working people of this country. I can assure my hon. Friend and the hon. Gentleman that the Government care about those jobs too. The announcement of job losses today is extremely sad and distressing, and we understand and sympathise with those who might lose their jobs, but that was not the result of our consultation.

Mr Burley: I represent Cannock chase, which is one of the great forests of England and important to everybody in the west midlands. Does the Minister agree that it is an historic forest and, as such, deserves heritage status?

Mr Paice: There will be lots of bids for heritage forest status. The criteria by which they will be judged are laid down in the consultation document. I fully recognise that Cannock chase has major attributes in that respect, as have other forests, but I am not at this stage going to start listing every single one.

Ian Murray: Will the Minister give way?

Mr Paice: No—I am not giving way anymore.

Finally, on jobs, I want to make this point. The Government believe that any commercial undertaking that leases parts of our forests for commercial purposes will want to increase commercial and economic activity. That is the best way to encourage job creation. People will not take forests on just to shut the gate—they would be unable to do so even if they wanted to—and leave it there; they will want to run that area as a commercial, job-creating business.

This debate was based on Opposition claims that range, frankly, from the spurious to the absurd. Not only do the Government not intend, as the Opposition motion suggests, to sell 100% of the forest estate; we could not do so, because we do not even own 58,000 hectares of it. The actual figures are in the document.

The Secretary of State and I have repeatedly stressed—

Ms Rosie Winterton (Doncaster Central) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly, (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 260, Noes 310.

Division No. 188] **[6.59 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brooke, Annette
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.

Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Farron, Tim
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilbert, Stephen
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goldsmith, Zac
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hancock, Mr Mike
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
Nokes, Caroline
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williams, Mr Mark
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Angela Smith and Jonathan Reynolds

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne

Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Mark Hunter

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).
That the proposed words be there added.

The House divided: Ayes 301, Noes 253.

Division No. 189] **[7.15 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Bagshawe, Ms Louise
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brazier, Mr Julian
Bridgen, Andrew
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Byles, Dan

Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Clegg, rh Mr Nick
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Gale, Mr Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Mundell, rh David
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Norman, Jesse
Nuttall, Mr David
Ollerenshaw, Eric
Osborne, rh Mr George
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sandys, Laura
Scott, Mr Lee
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, Sir Peter
Teather, Sarah
Timpson, Mr Edward
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Mark Hunter and
Mr Shailesh Vara

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana

Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brooke, Annette
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Cairns, David
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Crockart, Mike
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davidson, Mr Ian
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilbert, Stephen
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hancock, Mr Mike
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lewis, Dr Julian
Lloyd, Tony
Llwyd, Mr Elfyn
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Mr Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Phillipson, Bridget
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reid, Mr Alan
Reynolds, Emma
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williams, Mr Mark
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Angela Smith and Jonathan Reynolds

Question accordingly agreed to.

The Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)),

Resolved,

That this House deplores the actions of the previous administration in selling off 25,000 acres of public forestry estate with wholly inadequate protections; notes that the previous administration sought to go even further in finding ways to exploit the forestry estate for commercial gain as recently as 2009; welcomes the consultation proposals to guarantee the future protection of heritage forests by offering them charitable trust status; supports the consultation proposals for robust access and public benefit conditions that will be put in place through lease conditions, including access rights for cyclists and horse-riders; believes the leasehold conditions regarding biodiversity and wildlife conservation will safeguard significant important environmental benefits; sees these proposals as important in resolving the conflict of interest whereby the Forestry Commission is the regulator of the timber sector whilst being the largest operator in the England timber market; considers that debate on the future of the forest estate ought to be conducted on the basis of the facts of the Government's proposals; and believes that under these proposals people will continue to enjoy the access and benefits they currently have from the woodlands of England.

Court of Auditors 2009 Report

7.27 pm

The Economic Secretary to the Treasury (Justine Greening): I beg to move,

That this House takes note of the Unnumbered Explanatory Memorandum dated 25 November 2010 submitted by HM Treasury on the implementation of the 2009 EU budget, the Unnumbered Explanatory Memorandum dated 24 November 2010 submitted by the Department for International Development on the activities funded by the Eighth, Ninth and Tenth European Development Funds in the financial year 2009, European Union Document No. 12393/10 and Addenda 1 and 2 on Protection of the European Union's financial interests, European Union Document No. 13075/10 and Addendum, relating to an annual report to the discharge authority on internal audits carried out in 2009, the Unnumbered Explanatory Memorandum dated 22 October 2010 submitted by HM Treasury on the European Anti-Fraud Office's tenth activity report for the period 1 January to 31 December 2009, and European Union Document No. 16662/10 and Addenda 1 and 2, Commission Report to the European Parliament and the Council on the follow-up to 2008 Discharge; and supports the Government's continued engagement with its EU partners to improve financial management of the EU budget.

I should start by saying that it is a pleasure to have this debate on the Floor of the House, as I believe that this is the first time that that has happened. European Union issues are occupying hon. Members' thoughts at this time, so holding this debate on the Floor of the House demonstrates how important it is to focus also on the crucial issue of ensuring sound financial management of the EU budget. I therefore wish to emphasise at the outset the seriousness with which this Government take the issue. Managing taxpayers' money properly is crucial.

Kelvin Hopkins (Luton North) (Lab): Yet again, the European Court of Auditors has failed to approve the European budget. Will the Minister tell us for how many consecutive years that has occurred?

Bob Russell (Colchester) (LD): Fifteen.

Justine Greening: In fact, it is 16 years, and the Government view that as completely unacceptable. I hope that the hon. Member for Luton North (Kelvin Hopkins) will bear with me while I set out some of the steps we have already taken and those we plan to take over the coming months to play our part in getting these issues tackled.

Mr Ian Davidson (Glasgow South West) (Lab/Co-op): Does the Minister accept that every previous Government, of whatever party, have always said that that situation is unacceptable, yet nothing has ever changed? Why are her Government so soft on Europe?

Justine Greening: I completely reject the hon. Gentleman's intervention about this Government being soft on Europe, and I think that even he does not believe it. Far from being soft, we have taken a proactive approach to managing down the EU budget and getting control over it. We are dealing with a key part of that because, as he is aware, we have been leading the debate on the size of the EU budget, with some success. We plan to lead the debate as we enter the next financial perspective about how large the budget should be and the need for it to reduce in real terms over time. He will also be pleased to hear that we are steering the debate on what we should be spending the budget on. However, we are here tonight to debate the fact that although that is crucial, if we do not have the final piece in place—ensuring that once the decision has been taken on that money it gets spent in the way that was intended—we are not fulfilling what we need to fulfil. That means we are not getting value for taxpayers' money, and that is why this debate is so critical.

The hon. Member for Glasgow South West (Mr Davidson) asks how we can make a difference. I hope the fact that I am an accountant will bring some— *[Interruption.]* He is groaning, but it is a good thing to be an accountant in this role. I understand some of the technical issues involved in auditing and managing financial accounts and in managing budgets, and I assure him that I shall bring that experience to my role as Economic Secretary on behalf of the Government.

Let me set out for the House the background to this issue before taking more interventions from hon. Members who rightly want to have their say on this topic. First, managing taxpayers' money properly is crucial at any level, be it local or national Government or across the EU. It is a key part of the responsibility of Government and essential to the credibility of the EU budget and the European Union as a whole. As I have said, this Government and I, like other Members of the House, find it completely unacceptable that the Court of Auditors was, for the 16th year in succession, unable to provide a positive statement of assurance on the EU's accounts. That is a continuing blot on the EU's reputation and it raises serious questions about the management of EU funds. As I have said, British and EU taxpayers need to know their money is being well spent, but the Court of Auditors cannot provide that assurance. We are talking about large sums of money and it remains difficult to spend them effectively to deliver clearly the results we want—growth, jobs and a stable EU.

Kelvin Hopkins: As an accountant, the Minister will understand large numbers. In 2009, reported irregularities in agriculture increased by 43%. Things are getting worse, not better.

Justine Greening: The hon. Gentleman is right that in some areas things are getting worse, but in others they are getting better. The problem is that there is no clear pace of improvement at a rate that will make a big enough difference fast enough. The key challenge that we have to debate tonight and that the Government are keen to push within Europe is how to get that step change. What will it take to make sure that core financial management of EU funds is further up the agenda in the European Union than it has been? I will discuss later how to manage that more effectively.

Neil Parish (Tiverton and Honiton) (Con): There is one way: we could say to the EU, "If you don't balance your books, we won't pay our contributions." Will the Government consider taking that position?

Justine Greening: My hon. Friend echoes a sentiment that many people in the country will feel. Clearly, we have a legal obligation in terms of our payments to the EU budget, but the challenge is sorting out the underlying problem and even doing what he suggests would not do that. We have to address the underlying problem now, and there are ways in which we can do that.

If I can make a little progress, I shall provide some context and talk about the steps that we are taking and are planning to take. It is important to have this debate, because the views of Members across the House and their constituents on the budget are key in pointing out how important this matter is not only for the UK Government but to represent in Europe, which we plan to do. To give some background, the European Court of Auditors report on the 2009 EU budget was published on 9 November 2010. As hon. Members will know, at that time the Government were taking extremely tough decisions domestically, having just published the spending review that was our plan to deal with the largest peacetime deficit in British history. At home, we are taking the steps needed to cut the deficit and start tackling our debt. Actually, the experience is the same for most people and most countries across Europe—member states bringing their deficits under control by cutting spending.

Henry Smith (Crawley) (Con): I do not doubt the determination of the UK Government to bring down the deficit—nor do I doubt the determination of many other countries in the EU to bring down their deficits—but is it not telling that great countries trying to work together to bring down deficits do not seem to be able to make an impact on the EU, because it is so remote from the peoples of Europe, particularly the people of this country?

Justine Greening: That remoteness—the lack of the ability, day to day, rigorously to monitor how spend is going on—is one reason why we have reached this stage today. Also, it is fair to recognise that 80% of the spending happens at member state level. Therefore, there is some challenging complexity for any system in ensuring that that spend across those disparate member states, some of them new, is effective.

In spite of that, we have to get a grip. Our Government in the UK are getting a grip on departmental spending and the EU needs to do the same. I say to my hon. Friend the Member for Crawley (Henry Smith) that I think that there is now an appetite across member states to start to address the issue. There is more of a common agenda—perhaps at the EU and member state level—to address financial management. I welcome that development, but I am also determined to harness it while it is there to get change for the better.

As I was saying, the Court of Auditors report was published at the same time as the EU-level negotiations were taking place on the 2011 annual budget.

Jim Shannon (Strangford) (DUP): The number of member states has risen from nine to 27, and the number of staff involved here has risen to some 200, yet the number of reports produced has gone down from 15 to six. If we are going to get a grip, we also need to get a grip on the financial situation in relation to what the Court of Auditors delivers and the work that it does. Does the Minister agree that something has to be done about that as well?

Justine Greening: Yes, I do. The Government thought it totally unacceptable that EU officials received a 3.7% pay rise when our Government had to propose a pay freeze for public sector workers. We are not the only member state taking difficult decisions such as that. The debate the hon. Gentleman is referring to is the one we have already actively engaged in, which is about not only the level of the EU budget, but what we spend that money on and ensuring it is spent on the right things that deliver the right priorities for people on the ground, whichever member state they are in.

We are about to engage in a debate, which is important for the longer term, on how we change that mix of investment to make it more significant. It is called the debate on the financial perspective, and the hon. Gentleman will be aware that that relates to the seven-year plan, whereas early last year we debated the budget for 2011. We have a chance to have that more fundamental debate about how we spend money within Europe. The Government are keen to lead that debate at EU level.

Mr William Cash (Stone) (Con): My hon. Friend—a member of the coalition Government—knows that I am one of her greatest fans. Having said that, is she aware, as I know she will be, that the irregularities by Bulgaria and Romania in relation to pre-accession funds amount to 81% of all the cases, and that there is also this yawning hole concerning cohesion funds? Really, this is totally unacceptable. I have been involved in such debates for 26 years. Nothing has changed.

Justine Greening: My hon. Friend is right to raise that issue, for lots of different reasons. Two spring to mind. The first is the macro level of the argument, which is that new members joined the EU during the '80s. Those member states got cohesion funds to help to develop their economies. There is a question as to the effectiveness of that spend. We are about to embark on investment in a new group of countries that are coming in. The assumption about and the argument made for the accession countries is opening up markets, but we need to see those economies develop for that business model of the EU to work.

My hon. Friend will be pleased to hear that yesterday I met the Bulgarian Minister who oversees the EU funds in Bulgaria. His entire job is administering those funds. He has been in place for about a year. For the reasons that my hon. Friend mentions, I was keen to talk to the Minister about Bulgaria's perspective. He made the point, which I thought was right, that in the past people said to countries like Bulgaria, "You're not spending the money that we are giving you." His point was that those countries are keen to have it spent effectively, because that is in their interest.

Clearly, countries such as Bulgaria are at an early stage of putting in place the structures and processes. The Minister talked to me about the work that they are starting to do at national level and at regional level to enable better financial management of EU funds. That is a move in the right direction. The question for other member states is what we can do at pan-EU level to make that easier. We should get rid of unnecessary complexity and consider what we can do to help those member states to get along the road to stronger financial management faster. I believe they want to do so.

States such as Bulgaria understand that it is important for their relationship with other EU member states to be seen to be stronger financial controllers of the money that they are getting. They understand why that is important, not only in the medium or long term, but in the short term. The challenge for us is to ensure that we improve the framework within which they are working, and transparency is part of that.

[Justine Greening]

I am aware that I have taken several interventions. In part, that is forcing me to jump to bits of my speech that I will come to shortly anyway. Perhaps I can make a little progress and talk to the House about what I think we need to do, some of the steps that we are taking, and what a better system of financial management at EU level would look like. I shall begin with a little more background to the European Court of Auditors report and go on to the discharge negotiation, of which this debate is an important part—in other words, how we get those accounts signed off.

On the report, it is fair to say that there are some improvements. We have had a positive statement of assurance on the reliability of the EU's accounts, but as we can see and as we have already discussed tonight, everybody agrees that much more needs to be done. The pace of change is too slow, and we see no discernible trend in the right direction. We want to see financial management clearly supporting and controlling spend by the EU.

I shall set out the steps that the coalition has already taken to drive through improvements since we took office in May. It is worth reminding the House that the European Court of Auditors report relates to 2009, prior to the time that the coalition Government were in office. In October, when I was in Brussels having some of my meetings in relation to the EU budget, I took the opportunity to meet the Commissioner in charge of financial management in the EU, Commissioner Šemeta, to talk about our concerns and some of our ideas, and to push the case for transparency and sound financial management. I believe the Commissioner was receptive, and I think he understood that in his role, that needs to be a more fundamental priority than it has been for Commissioners in his position in the past. Since then, we have had a firm but constructive line throughout the negotiations among the member states. Let us not forget that they are responsible for management of 80% of EU funds spent.

The Government and other like-minded member states have pushed for concrete processes in several areas. First, at the pan-European level we must have further simplification of what are excessively complex rules that often hinder, rather than help, strong decision making that drives strong value for taxpayers' money. We must push EU-level auditing toward a more risk-based and proportionate system. Simply checking through receipts in member states that are randomly selected really will not work in future. We need to move towards a system where the European Court of Auditors operates a risk-based approach, where the focus is on member states for which there seems to be evidence of poorer and weaker financial management, and where we understand exactly where the management is breaking down in those processes and control systems. We are keen to ensure that what we do at the level of the European Court of Auditors is done more effectively than it has been in the past, and I plan to meet the European Court of Auditors to discuss those issues.

We are also encouraging member states to take greater responsibility for the funds that they implement, which, as I have said, is the vast majority of the budget. In practice, that means that we are lobbying for member states' annual summaries to be upgraded and published. The UK is currently one of only four member states that publish the sort of consolidated statement that we are debating today. We want more transparency, which we think will drive better financial management; it is not the only consideration, but a key one. The Government have pursued that agenda at the domestic level because we think that it is worth while, so we are pursuing it at the EU level. We need those annual summaries to be published and to contain more meaningful information so that people can use and interpret them.

Kelvin Hopkins: Is there not a vested interest in countries that are net recipients having a relaxed approach to the budgets? It is a bit of a slush fund for them to keep them on side. We are the ones who will be upset about it, because we are net contributors.

Justine Greening: I can see why the hon. Gentleman says that, and there is always a risk that that might be the case. Interestingly, when I met the Bulgarian Minister in charge of EU funds, that was precisely not his attitude, because clearly there is a debate about what will happen to structural and cohesion funds in future, given that new member states are now involved and want to see investment to help grow their economies. They also want value for money; they do not want billions of pounds handed over if it makes no difference on the ground. As member states, we need to drive that agenda and point out that it is unacceptable for a 16th audit report not to be given the statement of assurance. At the same time, we must have a positive agenda to work with member states to improve not only our own ability to control the finances and funds that come from the EU, but the ability of other member states to do so.

Steve Baker (Wycombe) (Con): Does the Minister accept that even when the EU controls its money within its rules, it still manages to waste it? I am thinking in particular of a beautiful hotel I visited in Spain that was in the middle of nowhere—unless one was a skydiver, there was no reason to visit the local village. It seemed a total waste of public money.

Justine Greening: My hon. Friend demonstrates exactly why there is a far broader debate to be had on the EU budget and how the money is spent. Tonight we are debating whether the money has been spent in the way that member states agreed when they negotiated how and on what basis the investment would be split between different countries and what the priorities would be for our individual taxpayers.

The Government are determined to bear down on the size of the budget as a priority. We led the debate on limiting the EU 2011 budget in a way that other member states, at the time when we began to gather support, perhaps thought was ambitious. In fact, it worked. My hon. Friend will be aware that, as we go into the fundamental debate about the financial perspective and the longer-term budget, we will also set the parameters—with countries such as France and Germany, which, alongside us, are net contributors and, therefore, absolutely want to see that money spent effectively—within which that debate can take place.

Having led the debate on the amount, there is then a need to start leading the debate within that about priorities and ensuring, as my hon. Friend says, that we do not have wasteful spending on administration or, as

the hon. Member for Luton North said, by individual member states. We have to drive out waste at the EU level. That is what we are trying to do at the national level, and it is unacceptable not to go through the same process at the EU level, too.

Mr Douglas Carswell (Clacton) (Con): My hon. Friend talks a great talk about clamping down on the EU's excesses, but will she please explain why our net contribution has gone up and will continue to go up, and why she is not reducing the amount that we contribute to the EU, when we are having to make reductions in Britain—at home?

Justine Greening: We are doing slightly more than talking a good talk. I share my hon. Friend's concern that one key thing driving the budget up was the previous Government's disastrous approach to negotiating the common agricultural policy, which saw us give away a huge chunk of our abatement and, over this Parliament, will cost the British taxpayer about £10 billion. That is totally unacceptable. He says that it is important we bear down on excesses, and I agree. That is one reason why we led the debate to stop the European Parliament's proposal for a 6% rise in spending. We achieved that, and we are now trying to ensure that, when we go into the longer-term debate about the financial perspective over the next seven years, which starts in 2014, we begin to see real-terms reductions. Countries such as France and Germany are backing us up on that, and those are the first steps towards delivering what we want.

My hon. Friend is right that we need to go beyond words and start delivering, and that is absolutely what we want to do. For tonight, the key aspect is how we can ensure that, when we have "decisioned" the funds, the final building block, which is about financial management, is delivered professionally, robustly and with an integrity that companies would recognise. We have to move towards a better system than the one we have picked up.

We are also keen to see some quickly taken measures and short-term gains, such as a one-stop shop that provides better information to those member states implementing EU funds, and a published scorecard of recovery orders against member states. That sort of transparency will start to change the culture, but we have to question how we have reached the position of poor financial management in which we find ourselves. The answer is partly down to culture, which has to change and improve at the EU and member state levels.

Sound financial management is critical, and it brings us closer to our overarching aim, which is a budget that delivers value for money for British and EU citizens. As I am trying to get over, that is not a negative agenda, because securing better value for money is a positive thing to do. It is what we are doing; it is what taxpayers want to see us doing; and it is what all member states should want to do themselves. We believe that we have a positive agenda, and it is not just about picking or prioritising the right objectives. Last year, our excellent debate in the House about the EU budget was a good chance for Members to discuss those objectives. We should return to that over the coming months, but critically we have to ensure that, when we have "decisioned" EU money, it is spent and implemented effectively.

As I said, only yesterday I met Mr Donchev, the Bulgarian Minister overseeing the administration of EU funds in Bulgaria. I am pleased that alongside such meetings, including the meeting that I plan to have with the European Court of Auditors, and the work that we are doing with the European Commission and MEPs in the European Parliament, there is a sense that people are receptive to the need to improve financial management and want to see that happen.

I am keen and grateful for this House's support for the Government in pursuing that agenda, because that is vital. It was important that we could go into the negotiations saying that as a Parliament we stood behind the motion on bearing down on the EU economy and our decision that a 6% rise was unacceptable. We can learn lessons from that. We as a Parliament need to stick together and show solidarity in tackling these issues. That is one step that we must take.

Even my hon. Friend the Member for Stone (Mr Cash), in his role as Chairman of the European Scrutiny Committee, has a role to play, together with his fellow-chairmen of scrutiny committees across Europe, in pushing this sort of issue to the top of the agenda. We have to be prepared to say in all channels that we must get an EU budget that becomes affordable, that is spent on the right priorities, and that is managed in the right way. His role is also vital in being able to back up some Governments while perhaps pressing those for whom this has been less of a priority to put it further up their list of priorities in future.

Mr Cash: This is not in any sense directed at my hon. Friend personally, but one of the big problems in implementing the Lisbon treaty is the increased functions of the EU. Increasing functions increases expenditure, and increasing expenditure has tended to increase the amount of irregularities. I am sure she will understand my concern about the manner in which we are Europeanising not only our own domestic economy, with European economic governance and all the other things that go with it, but inviting ourselves into the arena of a black hole where other member states do not understand the rules and do not much care about them either.

Justine Greening: My hon. Friend will know that Conservative Members, in particular, had a range of concerns about the Lisbon agenda.

Mr Cash: I did not mean the Lisbon agenda: I said the Lisbon treaty. I think that the Lisbon agenda has been an almighty disaster and that the 2020 strategy would fare no better. The Lisbon treaty is the instrument that increases the functions.

Justine Greening: Let me pick my words more carefully. My hon. Friend is right that Conservative Members had deep concerns about the content of the Lisbon treaty at the time. That is one reason why, as a party, we pushed to have a referendum before going into and signing off on the Lisbon treaty. It is a matter of deep regret that the previous Government chose not to give the British people their chance to have a say on the changes that were proposed via the Lisbon treaty.

The challenge in my role is to ensure that, in terms of where we are today, I stand up for our interests in Britain. One way we need to do that as a Government is to tackle some of the fundamental weaknesses in how the EU works, but my particular concern is financial

[Justine Greening]

management, not only at the EU level but at the member state level as funds are spent.

I am sure that other Members will rightly want to have their say on this, so before I finish let me quickly turn to the issue of fraud, which is of great concern to the Government and to hon. Members. I want to be absolutely clear that of course any level of fraud is completely unacceptable. We fully support the work of the Commission and of the European anti-fraud office, OLAF. I am pleased that the European Court of Auditors reports very low levels of fraud in the UK. In 2009, we had a rate of just 0.19 of 1% of spending, but it is still too high. The Government and I will focus on that as we look at how we can tackle this problem. We are therefore deeply concerned that, according to the latest OLAF report, the level of fraud seems to be increasing at the European Union level.

It would be wise for me to point out that the Commission's figures have to be interpreted with care. As we know, fraud and irregularities are not the same thing. Irregularities make up the bulk of the available figures. To my mind, irregularities are also a serious concern, because they are payments that have been made outside the rules. We should not find that acceptable. The figures quoted by OLAF for suspected fraud are increasing. It is not possible to say that fraud is increasing, but there are indications that that may be the case. Even an increase in suspected fraud is unacceptable. The best way to tackle fraud, irregularities, waste and the lack of priorities is ultimately to have better systems, financial processes and financial controls, and a better regime for financial management in the first place.

Mr David Nuttall (Bury North) (Con): My hon. Friend is right to identify those measures that need to be put in place. Is she aware of whether that is happening in the European Union?

Justine Greening: To my mind, that is the work that we need to ensure happens. I met Commissioner Šemeta in October 2002 to discuss his plan to improve financial management across the EU. The challenge for the Government, which I set out for him and to which he was receptive, is to make that stronger and better, and to make it more of a priority for the EU as a whole. As hon. Members have pointed out, there is a long way to go, but I assure the House that we are making a start.

Mr Carswell: My hon. Friend was right to highlight that a very bad financial deal was negotiated for the United Kingdom under the previous Administration. Does she therefore think it right that we should promote some of the senior Treasury officials who were responsible for those negotiations to senior positions in UKRep?

Justine Greening: Let us be clear that the responsibility for the catastrophic decision on the EU rebate is fairly and squarely political. I hope that the shadow Minister will tell the House why somebody in the Cabinet and the former Prime Minister, Tony Blair, thought it was a good idea to give up the equivalent of £10 billion in rebate over the course of this Parliament, in return for a common agricultural policy review that has taken years to come through and will ultimately be part of an overall budget review and a discussion on the financial perspective. In other words, they gave it up in return for a debate. That was a terrible deal for the UK taxpayer.

I assure my hon. Friend that I will take every opportunity I get, as I am sure he will, to make sure that people remember just how badly the previous Government dealt with this whole area, and just how badly they let down the UK people when it came to standing up for our interests in Brussels and having the judgment to make the right call on behalf of the UK taxpayer. That relates not just to the rebate, but to the Lisbon treaty.

Mr Davidson: I agree completely with what the hon. Lady said about the appalling deal that was reached by the previous Government. I and many of my colleagues took that view at the time.

Does the hon. Lady agree that the rising fraud figures should be approached with caution, because they are often an indication of rising detection rates, which are to be welcomed? Has she made a study of the matter that leads her to believe that some countries are starting to take it more seriously? I used to visit the EU when I was a member of the Public Accounts Committee. We were constantly asked to redefine the rules so that things would no longer be counted as fraud or irregularities because the goalposts had moved. I hope that she would not be amenable to such a settlement of these issues.

Justine Greening: The hon. Gentleman is right, and the discussion with the Bulgarian Finance Minister yesterday showed that statistics can take us only so far. There had been a debate about why Bulgaria had spent only a very small proportion of the funds that had been committed to it, but actually, if there is difficulty in spending those funds effectively, it is good for Bulgaria not to get through all of them until the problems are sorted out.

The hon. Gentleman may be right that there is now a better ability to detect suspected fraud, and he is right that there is substantive change to be made beyond this debate. We need to consider how individual member states can work within the rules to ensure that they are more effective and do not create dysfunctional decisions and systems at national level. The Court of Auditors needs to take a risk-based approach to examining how spend is managed, and it needs to work more proactively with member states so that improvements take place to address the problems that it uncovers. There is a clear agenda to be taken forward.

I look forward to hearing what hon. Members have to say. We have debated this matter on many occasions, which shows how important it is. When the UK Government and the UK people are having to take and bear the consequences of such difficult decisions, it would not be acceptable if we did not go through the same process at EU level with the same intensity. The Government are determined, and I am determined, to ensure that we lead that agenda at EU level. I hope that with the support of the House, we will be able to have some success in doing so.

8.6 pm

Kerry McCarthy (Bristol East) (Lab): I, too, welcome the fact that this debate is taking place on the Floor of

the House rather than in European Committee B, as it has in previous years. It is somewhat ironic that although having it here enables many more Members to take part, it means that we have only an hour and a half to discuss the matter rather than the two and a half hours allowed in Committee.

The Minister was thorough in her explanation of the Government's stance and very generous in taking interventions from Back Benchers. I am aware that at least half a dozen Back Benchers want to take part in the debate and that we are already 40 minutes into a 90-minute debate, so I shall be quite brief. Also, the Minister answered quite a few of the questions that I wanted to ask. There is always a problem in dealing with Court of Auditors reports because of the time lag involved. We are now debating the 2009 report in 2011, so it is useful that we have heard about what has happened in the intervening period.

It is, of course, disappointing that for the 16th year in succession, the Court of Auditors has been unable to provide a positive statement of assurance on payments from the EU budget because of weaknesses that it has identified in the procedures for financial control and management. In fact, it is not just disappointing; as the Minister said, it is entirely unacceptable that we are yet again in that position.

I welcome the fact that for the third year in a row, the Court has given an unqualified positive statement of assurance concerning the reliability of the EU accounts. It is important to stress that that has happened, but it is by no means satisfactory that the Court is not prepared to sign off on the payments, which means that considerable sums are not going where they should and money is being paid out wrongly, whether through fraud—as the Minister said, that is at quite a low level but is still a matter for concern—or through error. It is important that we continue to address the issue.

The direction of travel is correct. In the 2003 budget, only 6% of payments were identified as being free from error, which improved to 47% in 2008. I understand that the figure is now around the 60% mark or more. That progress is far too slow and it is vital for progress to be made more rapidly, because apart from anything else, the failure to sign off the accounts year after year understandably undermines public confidence in the EU and public support for EU membership. Naturally, people want to know that the EU is spending money wisely and well, particularly in difficult economic times when there is belt tightening and concern about how money is spent in this country.

We need more transparency and accountability in EU spending. Crucial to that, as the Minister said, is simplifying the procedures and processes of the allocation of EU money. The Court of Auditors has identified complex rules and regulations and complicated or unclear eligibility criteria as key factors in the high level of error, particularly in respect of structural and cohesion funds. Dealing with that as an ongoing, iterative process must be a priority, and I welcome the fact that the Minister is making those points in an ongoing dialogue with people in the EU, including the Commissioner for financial management, and not simply making them on this annual occasion.

The Commission should try to ensure that future programmes are designed to allow more effective control and monitoring; that should not be an afterthought or something to be looked at when the programme is up and running and the time for scrutiny is upon us. There is also a need to consult member states more, because often it is implementation at member state level rather than at Commission level that leaves something to be desired. Member states must have effective monitoring and management arrangements too. In particular, they should ensure that their compliance systems for spending cohesion funds are every bit as rigorous as their compliance systems on other matters.

The UK took the initiative to enhance its reporting through the annual consolidated statement on the use of EU funds in the UK, which is audited by the National Audit Office and presented to Parliament. The Minister advised the House earlier that only four other member states have adopted that model. I would be grateful if the UK Government continued to press other EU Governments to adopt a similar model and to introduce that element of transparency and accountability to their processes.

Are the Government generally optimistic about future improvements in financial management? I appreciate that it is difficult to forecast such things, but when does the Minister believe we are likely to see a positive statement of assurance? Is next year a realistic goal to work towards, or are we still some way off meeting that objective? Can progress be monitored better within year, and can ongoing improvements be made, so that we do not have to wait for the annual report from the European Court of Auditors, when we are inevitably disappointed by the lack of progress?

I am very much aware of the time, but I should like to make a few comments on specific concerns in the report, in particular in respect of agriculture and cohesion funds. In agriculture, the court says that the single payment scheme and single area payment scheme, including specifically problems with ineligible land and over-declarations of land, are the most urgent issues. The court also identified the need to avoid, in co-operation with national authorities, the payment of ineligible grants for fisheries projects. Has the Minister discussed that with her colleagues in the Department for Environment, Food and Rural Affairs? Are they pursuing the matter at European level? If so, can she advise the House on what progress has been made?

Cohesion funds, which have already been flagged up as a great concern, account for 30% of EU expenditure, so we are talking about very significant sums of money. Uniquely, the rate of material error is above 5%, even if it declined from 11% last year. We are travelling in the right direction, but that rate is still clearly unacceptable.

I note that the auditors recommend that the Commission encourage the more rigorous application of corrective mechanisms by national authorities, to ensure that member states do not substitute ineligible expenditure with new expenditure. Will the Minister advise us on what progress is being made to ensure that the control system for the 2007-2013 programming period will be effective? What is being done about the application of procurement rules in member states, which is also identified as a key concern?

The Minister said that a scorecard of recovery orders would be useful. It is worrying that the overall rate of recovery from beneficiaries who receive EU cohesion funds incorrectly has fallen. It is clearly unacceptable. Does the Minister have any idea why the recovery rate is

[Kerry McCarthy]

moving in the wrong direction, and may I urge her to flag that up as something that needs to be addressed as a matter of urgency?

I repeat the point that I made earlier. This needs to be an ongoing and iterative process, and we need to keep a very close eye on it. There is consensus across the House on the need to push this up the policy agenda and I am glad that the Minister is doing what she can to push other EU Governments to address the issue. We will do what we can to support her in those efforts.

8.15 pm

Mr William Cash (Stone) (Con): I do not need to speak for very long on this matter, for the simple reason that I have been making the same speech about different auditors' reports for the last 26 years. I am afraid that nothing much has changed. The Economic Secretary is a very dedicated Minister and I have great enthusiasm for what she seeks to achieve. She puts the best possible face on the situation, but unfortunately nothing changes: plus ça change.

The reality is that the British taxpayer is, as the Minister has rightly admitted, under severe duress. We are having to cut back and implement austerity measures, but at the same time this report—which, for the 16th consecutive year, has not been signed off—demonstrates that there are serious errors and mistakes in the system. Those errors consist not merely in the manner in which the accounts have been presented, or in the fact that irregularities and fraud have been identified, but in the very system that has been created. Because of the nature of the problem and its range—and the fact that the documents relating to this debate run to 1,035 pages—it is impossible in 90 minutes to do more than give a general survey of where the whole problem lies.

I mentioned Bulgaria and Romania. The European Scrutiny Committee said that it was inappropriate for them to be brought into the accession procedure when they were, for all the reasons that we identified, which included the fraud that exists in those two countries. I am glad that the Economic Secretary has had a meeting with the Minister responsible for audit in Bulgaria, but I have to say that I do not think that the culture in that country will change very much because of a meeting. The cohesion funds—from the figures that I have already given—are clearly exploited and seriously misused. They represent a significant proportion of the problem. We have a serious problem that is deeply entrenched in the system.

As the Minister knows well, I proposed that we should not only reject the proposals put before us in a debate some months ago, but reject the increase in the budget, and I am glad that the House agreed to do just that. But that is only one side of the equation. The other is the vast sum of money being allocated for the purpose of running this failing European Union. I do not ask the Minister to agree with me on that point, because it would be politically incorrect to do so, but the reality is that it is a failing system. However, I do not need to rehearse the arguments that I have already given for why that is.

One of the elements at the heart of that is the responsibilities of what is called OLAF, the European anti-fraud office. I would like to refer to OLAF's mission statement, which is on page 729 of this mammoth bundle of motion documents. I can barely hold it up, actually—but fortunately, my wrists are quite strong. The mission statement says:

"The mission of the European Anti-Fraud Office…is to protect the financial interests of the European Union, to fight fraud, corruption and any other irregular activity".

Hon. Members should note the last words, especially when people talk about actual proven fraud. And by the way, with regard to the cohesion funds, the documents that the European Scrutiny Committee has examined note that the survey in question is only a sample survey—that is something that always fills me with considerable reservations—not a full audit of the kind that one might have expected from the National Audit Office. Indeed, I would go further and say that if we made it Government policy to insist that no standards lower than those of the NAO and the Comptroller and Auditor General should be applied to the European Union, we would really be getting somewhere. Frankly, if the NAO had the opportunity to have a go at these 1,035 pages, plus all the supporting documents, or if it had the opportunity at least to get entrenched in the system, as I have said many times in the past that it should, so that NAO standards and principles were applied to those audited accounts, we might just begin to see some relationship between costs and benefits.

The reality, however, is that vast sums of money—our net contributions and all the rest of it—are poured into that black hole, and it does not work. I am not going to enlarge on all the reasons, which worry me, for our slow economic growth, which in my opinion have something to do with the fact that what we have out there is a dead parrot. The European Union is a system that is incapable of growth—indeed, growth is liable to decrease, compared with that in China, India and the rest—and on top of all that, we have the problems of audit and irregularities that the report demonstrates.

The statement on OLAF's mandate says:

"In pursuing this mission in an accountable, transparent and cost-effective manner, OLAF aims to provide a quality service to the citizens of Europe."

OLAF's mandate covers

"all EU expenditure and part of the revenue side of the budget. It includes the general budget, budgets administered by the Union or on its behalf, certain funds not covered by the budget but administered by EU agencies"—

perhaps that includes the External Action Service, which I hope we will look at in due course—

"and extends to all measures affecting the Union's assets."

That is a very big remit, and I have my reservations about that state of affairs.

The statement continues:

"OLAF's status is hybrid in nature. It is part of the Commission".

Would we have much confidence in the NAO if it were part of the Government? I very much doubt it. OLAF is supposed to be responsible for

"developing and monitoring the implementation of the EU's anti-fraud policies. However it has a measure of budgetary and administrative autonomy, which reinforces the total independence with which OLAF conducts investigations."

Mr Nuttall: Does my hon. Friend agree that one of the problems is that it apparently takes 25 months on average—more than two years—for OLAF to conduct its investigations, and that only 56% of cases have led to follow-up action?

Mr Cash: That is the problem. It is easy for us in this House to make scattergun criticisms of bureaucrats, civil servants and the rest of it, but the real problem is that if something does not work, we have to mend it—and there is no evidence of that happening.

I had an exchange with Lord Kinnock when he was responsible for these matters, and set up the new OLAF arrangements. He got a bit shirty with me in a Select Committee some years ago. People like Marta Andreasen were thrown out, and even before then, there was another chap whose name I cannot remember—

Chris Heaton-Harris (Daventry) (Con): Paul van Buitenen.

Mr Cash: Exactly. The trouble is that the moment anyone starts to get to grips with what is going on, the steel shutters come down and people are thrown out of the European institutional arrangements simply for asking questions that would be regarded as completely normal in any proper democratic system. That is the essence of the problem.

As I have said, I could enlarge at great length on the contents of these 1,035 pages, and every word would be entirely relevant because they are so important. Huge sums of taxpayers' money and resources are being churned into this failing quagmire. This is not just the ranting of a Eurosceptic; it is the reality of what affects the daily lives of the people of this country, and we seem to be prepared to go along with it.

Mr Davidson: Does the hon. Gentleman accept that part of the difficulty of conveying these issues to the electorate is that the sums involved are so enormous? It is difficult for people to understand sums of £10 million here and £100 million there. As the Chair of the European Scrutiny Committee, would he consider undertaking a piece of work that looked at the value for money provided by a European operation in this country? An example would be the European schools, some of which are situated here. Why does not he compare the cost of a European school with the cost of a normal school? It would make sense to people if they could see the extravagance that the European Union applies in such circumstances. That would bring it all home to people far more than any number of quotations involving zillions.

Mr Cash: I rather agree. It would be very nice for me to be able to make a comparison between the different kinds of school systems, but this is not only about schools; it is about everything that moves. The reality is that this all-pervasive, all-encompassing ectoplasm has managed to work its way into every nook and cranny of our lives. It slips under doors and through windows, and it is absorbing us to the point at which we are being totally Europeanised. Within that framework, our taxpayers' money is being absorbed into the bloodstream of the European Union, and the monitoring and accounting are inadequate, which is what this European Court of Auditors report is all about.

Mr Davidson: I was making a much more specific point a moment ago. I was referring not to schools in Europe in general but to the schools that are run by or on behalf of the European institutions themselves, of which there is at least one in the United Kingdom. A comparison of that school with a similar-sized school elsewhere in the UK would be enormously informative to parents and everyone else. Such an exercise would help to overcome the difficulties that we have in explaining the magnitude of the sums involved.

Mr Cash: I certainly agree with the hon. Gentleman's concern. If he would like to write to me about it, I would be more than happy to take the matter up in the European Scrutiny Committee if we have an opportunity to do so. We are going through a process of reinvigorated European scrutiny, as I hope he has noticed, and we are determined to get to the bottom of certain issues. This is one of them.

I do not want to take up too much time, because many others want to speak. I will simply make the general point that this is a failing system with a failed accountancy system, and the taxpayer is being badly affected by the way in which these matters are being conducted. There are always paragons of virtue, but this system falls so far below the threshold of what is required that the whole thing needs shaking up. In a nutshell, I would like to see principles of the same kind that apply to the National Audit Office applied to the European Union, so that the people there can be roasted when they get it wrong.

8.29 pm

Kelvin Hopkins (Luton North) (Lab): It is a pleasure to follow the hon. Member for Stone (Mr Cash), who does such an excellent job in chairing the European Scrutiny Committee, of which I have the honour to be a member and in which I do my best under his chairmanship.

The problem that we face has existed for many years. This is the 14th speech that I have made on these matters. I made the first 13 in European Standing Committees, and I am pleased to be able to make this one on the Floor of the House. Although we are given less time on the Floor of the House, there is a greater focus on debates here and they gain a higher status.

Although I may have said the same thing repeatedly for 14 years, at least the numbers change. Let me introduce a few facts to the debate. In agriculture, which I mentioned earlier, the number of reported irregularities increased by 43% in a single year. The number of irregularities relating to cohesion policy increased by about 20%, and the number of irregularities involving pre-accession funds by 35%. Those are significant figures.

My hon. Friend the Member for Bristol East (Kerry McCarthy) cited some of the positive conclusions of the report by the Court of Auditors. The big negative is that it was

> "unable to give a positive Statement of Assurance on the legality and regularity of expenditure in the areas of agriculture and natural resources, cohesion, research, energy and transport, external aid, development and enlargement and education and citizenship".

That is pretty much what the budget is about. There is not much left, really.

Henry Smith: Does the hon. Gentleman believe that, despite the best and, I believe, sincere efforts of Her

[Henry Smith]

Majesty's Government, the Court of Auditors will ever be able to sign off an EU budget? I doubt it.

Kelvin Hopkins: The evidence that we have seen so far is not very encouraging, is it? I must say that I agree with the hon. Gentleman.

The hon. Member for Stone made the serious point that the Court of Auditors is not really a separate organisation in the sense that the National Audit Office is in Britain. I should like it to be much stricter. If it were stricter, it might reveal even more irregularities and fraud than it does now, and might bring the European Union into even greater negative focus.

At the end of our last presidency, I urged the Government—from the other side of the Chamber—to call for the abolition of the common agricultural policy, which is the main problem in relation to the budget. We were given endless assurances about reform of the CAP at that time. Apparently, at the end of our presidency, the then Prime Minister, Tony Blair, went to the European Union to call for its reform, if not its abolition, but what he came back with was no reform at all. As was pointed out by the Economic Secretary to the Treasury, he had given away a substantial proportion of our rebate. According to her, it amounted to some £10 billion over a five-year Parliament, or £2 billion a year, which is four times the sum that the Government plan to save by abolishing education maintenance allowance. Tony Blair gave that money away, and not one question was raised before he did it. Apparently he did it on the spur of the moment, hardly even checking with the then Chancellor of the Exchequer.

The Economic Secretary and others have mentioned the previous Government. I believe that the former Prime Minister, who is still a Member of Parliament—my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown)—was on our side, in a sense. He prevented us from joining the European single currency despite immense pressure from Tony Blair and others, and it could be said that by doing so he saved us from worse difficulties.

Mr Davidson: Does my hon. Friend accept that, at this moment, there are more Members on the Government Benches who are in favour of joining the euro than there are on our Benches?

Kelvin Hopkins: I do not see many Members on any Benches who are in favour of it at the moment, and I am greatly encouraged by that. I believe that we have a kind of common sense.

I should say to the Economic Secretary that I appreciate her sincerity. I believe that she will fight as hard as she can to support our interests, and the interests of the European Union as a whole as well. It is important for other countries as well as ours that we get these things right as much as we can. As the hon. Member for Stone has suggested, the Economic Secretary and everybody else faces serious inherent problems when considering these matters. It is the system.

The common agricultural policy is one of those problems. If it did not exist and member states simply managed their own agricultural industries, choosing to subsidise where they thought appropriate, not where someone else thought appropriate, the system would be much better. The CAP will cause more difficulty, because when it comes into full effect in respect of the new member states, it will cost much more than anybody anticipated. That is because wages have risen in those countries, so the cost of subsidising agriculture in them will be much higher. There are ongoing problems with the CAP and we ought seriously to suggest to the European Union that the CAP should be abolished, by being phased out or whatever. Let us give notice that we want it abolished—let us say within the next five years, in order to give France time to adjust. That would save a lot of problems, as a range of difficulties in the budget would disappear.

Other areas of the budget have problems, too. The suggestion that I have made several times in the Chamber and in Committee is that we should get rid of the budget in its current form, which is about fiscal transfers. It is about transferring income or money from the more wealthy nations to the poorer ones; it is a redistribution policy. It does not work very well because of the formulaic way in which it is done, with some countries unfairly contributing too much and other countries unfairly receiving too much.

Let us suppose that there were no such thing as the CAP and all the other budgetary arrangements, and the European Union simply transferred a substantial sum to countries that needed it from countries that could afford to pay. For example, we might contribute 0.5% of our gross domestic product and Romania might receive 1% of its GDP. A lump sum would be handed over to the Governments of the countries involved and they would then decide how to spend that largesse. That would be more accountable because those Governments would be accountable to their own electorates. At the moment, no direct accountability is involved and we cannot do much to control the budget spending, but the member states themselves, with their own democratic Parliaments and Governments, could control that spending. That could be done in Britain at least and one hopes that that would spread to other countries.

I have suggested many times that instead of having this complicated arrangement of special budgets for all sorts of different things, we should have a system of a simple payment each year from the more wealthy countries to the poorer countries, in proportion to their living standards. So the wealthiest nations would give according to their wealth and the poorer nations would receive according to their need.

Henry Smith: Does the hon. Gentleman think that the concept of zero-based budgeting would be helpful?

Kelvin Hopkins: The hon. Gentleman would have to explain the position to me, because I am not an accountant, but if there were no budget and no European Union at all, that would solve the problem entirely. Given that we are generous by nature and would want to help our fellow European countries to develop, some sort of transfer might be helpful and the European Union would be a way of doing it. So I am not against the idea of wealthy countries contributing to poorer countries, but the current cumbersome approach, which invites corruption and irregularity, is not the way to do it and does not work out fairly. I have made my suggestion a number of times and I hope that, in time, our Government

at least will take it seriously. Perhaps we will be able to debate that in the European Councils themselves and discuss completely changing the method by which these fiscal transfers take place. I have made my point and I have spoken for long enough.

Mr Deputy Speaker (Mr Lindsay Hoyle): Before I call the next speaker, may I remind hon. Members that at 8.54 pm I am going to call the Minister to do a three-minute wind-up? There are three speakers to come. The first will be Chris Heaton-Harris.

8.39 pm

Chris Heaton-Harris (Daventry) (Con): Thank you, Mr Deputy Speaker. I just hope that my maths is better than that of the European Commission, so that I know how long to speak for. There is one thing that everybody seems to know about Europe, which is that the European Commission's accounts are not being signed off—this is the 16th year running that that has happened. What most people do not know and what never gets reported is that after the Court of Auditors gives its opinion, a very long process starts, which lasts at least nine months and gives MEPs and the Council of Ministers the power to look into every euro and cent that the Commission has spent in the previous year.

The plain fact is that the Court has no power over the European budget. I shall say that again: the headlines we read every year about accounts not being signed off refer to an institution that has no power over the institution it is checking. The European Parliament and Council, by contrast, have genuine power. If either of them refused to grant discharge—to sign off the accounts—or even if they questioned strongly the measures that the Commission had taken, the Commission would, although not compelled to resign, be under considerable pressure to sort out the problems within its accounts and accounting systems once and for all. There is a ton of jargon around the budget discharge process, but the process itself deserves a lot more scrutiny from the press, public and parliamentarians alike.

The Court of Auditors seems almost embarrassed about its refusal to sign off the Commission's accounts and give that positive statement. It is amazingly difficult to find that information in the Court's own report. As soon as the Court publishes its report, a debate is held in the plenary session of the European Parliament, the Committee on Budgetary Control considers the report, various questions are asked and eventually the European Parliament and the Council of Ministers decide whether to refuse or grant discharge.

The European Parliament has never decided not to grant discharge, so for the past 16 years the Court has refused to sign off the accounts and the Council and the European Parliament have refused to take the Court's advice. They have just said, "Carry on chaps; it's all going pretty well." Let me give a political example. Back in April 2008, when I was still a Member of the European Parliament, Labour MEPs voted, as usual, as they always have, to let that farce carry on, whereas Conservatives MEPs voted against it. We numbered over half the entire opposition in the European Parliament and the discharge was given by 582 votes to 49.

Concurrently, there is also a debate in the European Council among member state Finance Ministers, and the results of that discussion are reported back to the European Parliament, which is why lucky people such as me know about them. That debate rarely lasts longer than a few hours and very few countries seem to care. Rarely does anyone question why money cannot be accounted for correctly, and the purpose of that meeting is pretty much to rubber stamp the accounts. To give credit to the Dutch Government, a few years ago they decided to take a stand against the waste of their citizens' hard-earned cash and they have been finding a few friends more recently. However, I am very wary that what the Minister has said is very similar to what her Labour predecessors have said. This year, the discussion and the vote take place on 15 February.

Alas, the same cannot be said of the British Government as of the Dutch Government. In all the time that the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) was the Chancellor of the Exchequer, neither he nor his Department ever raised any questions about the state of the Commission's accounts in those meetings. He nodded through the accounts like everyone else. The amount of money that is estimated to go missing each year is between £3 billion and £8 billion, which roughly corresponds to the UK's net contribution to the EU every year.

Mr Nigel Dodds (Belfast North) (DUP): If these vast sums of irregular, fraudulent or wasteful expenditure were being talked about in relation to the UK, the Chamber would be packed with people on both sides who would be outraged. Would the hon. Gentleman care to speculate on why more Members on both sides of the House are not more concerned about this ongoing waste, fraud and irregularity? Why does he think that the accounts are just passed on the nod?

Chris Heaton-Harris: I shall come back to that in a moment, but I think it is because the money is spent so far away in such a disjointed fashion. It goes up through a system: it goes through our taxes, goes to the European Commission and is spent by third parties. It is all very confused and distant and I think that people are just bored by the fact that the accounts are not being signed off. It is a huge shame.

The Court of Auditors bowed to political pressure a long time ago and no longer gives a figure on the percentage of money it thinks is being spent incorrectly or wastefully, so for years now we have not had any solid figures with which to work. As a former Dutch member of the Court of Auditors, who retired recently, said:

> "There was a practice of watering down if not completely removing criticism...All these abuses never came out in the open because of the Kremlin-style information we provided. But it didn't enhance our reputation one bit...I had to threaten to resign as head of the investigation and to inform the outside world"

to get some of this information out. We have some real problems.

The accounts are pretty poor. People compare the problems with those accounts with the problems that the Department for Work and Pensions has with its accounts, but EU accounts involve perhaps between 2% and 5% going missing each year through fraud and irregularities, if not a lot more, while the Department for Work and Pensions qualifies about 1% and deals

[Chris Heaton-Harris]

with millions upon millions of transactions. The European Commission simply does not.

What is our money being spent on? We would all be excited to know. Last year, Open Europe brought a number of things to the public's attention: €411,000 for a dog fitness and rehabilitation centre that was never built, €16,000 to Tyrolean farmers to boost their connection with the landscape and €7.5 million of EU funding for a PR campaign for more EU funding for a region of Spain.

In a time of tight budgetary constraint, the Government should make it a proper priority to use our financial clout to sort out the problem once and for all. I believe that we should threaten to withhold even a small part of our contribution until we see some action that protects UK taxpayers' hard-earned cash.

8.45 pm

Steve Baker (Wycombe) (Con): It is a huge privilege and tremendous pleasure to speak in support of the Government in relation to the European Union. My only regret is that my Whip is not here to see the day.

I pay tribute to my hon. Friend the Member for Stone (Mr Cash) and the hon. Member for Luton North (Kelvin Hopkins), who have seen this farce go on for year after sorry year with these accounts failing to be signed off. I also pay tribute to the Minister, with whom I spoke briefly before the debate. She obviously brings to this matter great sincerity, professionalism and obvious expertise, and she has my full confidence in bringing the right approach to it. Having confirmed the information, I know that this is a boilerplate motion, and I say to her that it fails robustly and resolutely to condemn fraud and error in the EU. In fact, now that I know that these are not necessarily her chosen words, I might say that the motion is dreary jibberish and seems wholly futile.

A total of £11.8 billion went into this budget and only 8.3% of EU spending was given a clean bill of health. Apparently, the rest was materially affected by error. In other words, 91.7% of this public money was given out inappropriately.

I want to share with the House three instances in which public money was given out within the rules. According to Open Europe, an EU subsidy of €500,000 was given to two Swedish fishermen to scrap their fishing vessel. The subsidy was given by the Commission and the Swedish Government as part of the EU's effort to reduce the size of Europe's fishing fleet to address the region's huge problems with overfishing. The subsidy was enough to pay off the fishermen's debts and left them with a substantial amount of money to spare, according to their accounts.

Instead of winding down the business, the two fishermen bought a new boat with this EU money—taxpayers' money—and continued just as before. Extraordinarily, the owners were open with their plans all along and did not break any rules. That is because their new boat is less than 10 metres long, which means that different rules apply and they can continue to fish in the North sea. "We said exactly what we were going to do when we applied for the scrapping subsidy," one of the fishermen said.

We mentioned sums that are too large to imagine. A total of €8.5 billion was spent failing to improve infrastructure in Sicily. Given the lack of time, I shall not trouble the House with too much of the detail. Suffice it to say that €700 million was spent to improve water supply throughout the island, but the percentage of families who experienced patchy "stop-and-flow" supply of water increased from 33% in 2000 to 38.7% in 2008. I point out the fact that Sicily has a population of only 5 million people. The subsidy amounted to £1,700 per head—clearly not enough to rebuild Sicily, but enough, I would have thought, to rebuild its infrastructure.

Finally, an example that I hesitate to bring to the House in the present circumstances—€2.5 million was spent on an Austrian nomadic contemporary dance troupe. My hon. Friends know that I am a great fan of Austria, but I am not sure that my hard-pressed taxpayers in Micklefield, Oakridge and Castlefield, and indeed in Disraeli, where they are particularly hard pressed, should be paying tax in order to fund a group that travels around Europe meeting and dancing with other dance troupes to contribute to the development of dance. I am sure none of us would condemn the funding of culture, but nomadic contemporary dance troupes should fund themselves.

This is the 16th time that the statement has not been signed off. We should condemn this showcase of fraud, incompetence and, where not fraudulent or incompetent, inappropriate spending. We are told that we cannot withhold our money. What a preposterous situation we have reached when our constituents are being taxed and we cannot withhold money from these ridiculous projects. I hope that next year the Government will bring before the House a motion that much more strongly condemns such waste and fraud. Unless we deal with the problem, the next important question on the EU will be simple—in or out?

8.52 pm

Jacob Rees-Mogg (North East Somerset) (Con): In the time available, I shall try to speak without hesitation, deviation or repetition. I want to deal with one point, EuropeAid, and draw a conclusion from it.

EuropeAid was found not to be perfect by the European Court of Auditors. The ECA noted a high frequency of non-quantifiable errors due to the lack of formalised and structured demonstration of compliance with payment conditions. It found poorly documented and ineffective checks. EuropeAid was terrified by the mighty power of the Court of Auditors coming down before it, so what did it say it would do? It said that it would have a little more training and disseminate a financial management toolkit.

If I were a fraudster, I would be quaking in my boots at a financial management toolkit. That comes to the nub of the problem. Bodies such as EuropeAid could not give a brass farthing. The European Union is fundamentally corrupt because it is undemocratic. There is no check on it from electors. What can the electors of North East Somerset do? They can send me here to rail against it and try to stir the Minister, but the Minister needs no stirring. She is valiantly defending British interests. The shadow Minister, the hon. Member for Bristol East (Kerry McCarthy), my neighbour, is in agreement.

But what do the Government face with our European partners? When we look across the channel, we see countries that have been corrupt for generations—for decades. With the Roman empire, we can go back to the tax collectors at the time of Christ who were corrupt. There is institutionalised corruption within Europe. It is an empire that has an emperor, and the emperor has no clothes. We know that. We see the corpulent emperor in his fat rotundity gorging on the money of the British people. I urge Her Majesty's Government to go along with my hon. Friend the Member for Wycombe (Steve Baker) and say enough is enough. They should say as the great lady said—"It's our money, and you can't have it unless you can prove that you are spending it honestly."

8.53 pm

Justine Greening: May I say how much I appreciate the contributions made by all hon. Members across the House this evening? They were made with passion and frustration at the continued unacceptable situation of the European Court of Auditors persistently not being able to sign off the statement of assurance that we want signed off to give us the kind of confidence that my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) was just speaking about. I can tell hon. Members that I share their frustration. My task is to channel that deep frustration into positive steps to address some of our concerns.

In the short time that is left, I shall try to respond to Members on some of the points that they have raised. The hon. Member for Bristol East (Kerry McCarthy) is absolutely right to say that the procurement rules need to be simplified. The recovery rate is moving in the wrong direction, but we want to see it start moving in the right direction.

My hon. Friend the Member for Stone (Mr Cash) is absolutely right to talk about the need for improved standards. We want to work with other member states to improve the ability of the European Court of Auditor to perform its role. I absolutely agree with the hon. Member for Luton North (Kelvin Hopkins) on his frustration with the poor value for money that the common agricultural policy represents. The Government are making the case, as the previous Government started to make, that the fund must become better value for money for taxpayers. His other point about flexibility for member states to make their own decisions on how they spend the money and meet their own priorities was quite right.

My hon. Friend the Member for Daventry (Chris Heaton-Harris) is right that one part of the debate that we did not have tonight, and which I thought might have come up more, was the discharge process. He is right to point out that we have not used that process to challenge the poor financial management. I think that previous Governments have just signed that off and said that there was no need for discussion. That is not the position of this Government. We will start using the discharge process and having a discussion at the senior level, because we do not believe that we can afford not to.

Steve Baker: I welcome the Minister's remarks, but given the figures that my hon. Friend the Member for Daventry (Chris Heaton-Harris) quoted on the European Parliament's voting record, does she not agree that it seems rather futile to expect that the European Parliament might fail to discharge?

Justine Greening: Clearly, the European Parliament will take its decisions. I am talking about our role within the European Council and the discussions that we will have as a member state there. I can assure Members that we are talking with other member states about why we find this position unacceptable and to see what support there is for having that proper debate at the European Council meeting on 15 February so that we can resolve some of those outstanding questions and ensure that financial management becomes a priority in a way that it has not been in the past.

Question put and agreed to.

Resolved,

That this House takes note of the Unnumbered Explanatory Memorandum dated 25 November 2010 submitted by HM Treasury on the implementation of the 2009 EU budget, the Unnumbered Explanatory Memorandum dated 24 November 2010 submitted by the Department for International Development on the activities funded by the Eighth, Ninth and Tenth European Development Funds in the financial year 2009, European Union Document No. 12393/10 and Addenda 1 and 2 on Protection of the European Union's financial interests, European Union Document No. 13075/10 and Addendum, relating to an annual report to the discharge authority on internal audits carried out in 2009, the Unnumbered Explanatory Memorandum dated 22 October 2010 submitted by HM Treasury on the European Anti-Fraud Office's tenth activity report for the period 1 January to 31 December 2009, and European Union Document No. 16662/10 and Addenda 1 and 2, Commission Report to the European Parliament and the Council on the follow-up to 2008 Discharge; and supports the Government's continued engagement with its EU partners to improve financial management of the EU budget.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

FINANCIAL SERVICES AND MARKETS

That the draft Investment Bank Special Administration Regulations 2011, which were laid before this House on 10 January, be approved.—*(Mr Goodwill.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

FINANCIAL SERVICES AND MARKETS

That the draft Investment Bank (Amendment of Definition) Order 2011, which was laid before this House on 10 January, be approved.—*(Mr Goodwill.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

FINANCIAL STABILISATION MECHANISM

That this House takes note of European Union Documents No. 9606/10, relating to a Council Regulation establishing a European financial stabilisation mechanism, No. 12119/10, relating to a draft amending budget No. 7 to the General Budget 2010-Statement of expenditure by Section-Section III-Commission, and No. 17361/10, Commission Communication on the European Financial Stabilisation Mechanism; supports the Government's view that whilst it is in the interests of all Member States to support a stable and fully functioning euro area, financial assistance for euro area Member States should primarily be provided by other euro area Member States; and supports the Government's position that the United Kingdom should not be required to contribute to the European Stability Mechanism that will permanently replace both the European Financial Stability Mechanism and the European Financial Stability Facility.—*(Mr Goodwill.)*

The Deputy Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 9 February (Standing Order No. 41(A)).

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 9 February, notwithstanding the provisions of Standing Order No. 16 (Proceedings under an Act or on European Union documents), the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Secretary Theresa May relating to Police Grant Report not later than three hours after the commencement of proceedings on the Motion, and shall put the Questions necessary to dispose of proceedings on the Motions in the name of Secretary Eric Pickles relating to Local Government Finance not later than six hours after the commencement of proceedings relating to Police Grant Report; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*(Mr Goodwill.)*

Hospice Care

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Goodwill.)*

8.58 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): It is a pleasure to have secured this debate on palliative care and the hospice movement, particularly at a time when the coalition Government are taking the Health and Social Care Bill through the House. It is a great opportunity to talk about this important area of medicine and care, particularly because I do not think that it is always given as much attention as it deserves.

Palliative and hospice care is something that all Members are aware of, because we all have constituents who are suffering with terminal or progressive illness and we all want them to die with the most dignity that can be provided, in the most comfortable and supportive surroundings, and we all want to ensure that their families are looked after holistically. That is why hospices are so valuable to all of us and to all our constituents.

Notably, the previous Government and the new coalition Government have paid a lot of attention to cancer care, but the hospice movement is about not just cancer but a raft of progressive and terminal illnesses, such as heart disease, lung disease, chronic obstructive pulmonary disease and motor neurone disease. The movement is not just for older people, either; it looks after younger people and, indeed, children with terminal illnesses.

Henry Smith (Crawley) (Con): I am grateful to my hon. Friend for securing this important Adjournment debate. Last Friday I visited the Chestnut Tree House children's hospice, which serves my constituents and those throughout Sussex, and its concern is that hospice at home and section 64 funding should not be lost in the health reforms. Does he agree that that is important?

Dr Poulter: My hon. Friend is absolutely right. He talks about a children's hospice, but hospice care, and the valuable service that it provides to people with terminal and progressive illnesses, is particularly pertinent to adults. It is also important to children, however, because there is nothing more distressing than a very sick child whom we know is going to die.

I shall explain why we need to invest in hospices and palliative care. The UK population is ageing significantly, and we will have to look after a lot more people with more than one terminal and progressive illness. By 2033, the number of people aged 85 and over is projected to more than double to 3.3 million, and it is predicted that 8.7 million people will be 75 years or older. There is an ever-increasing strain on the palliative services that help to support people with co-morbidities, or several illnesses, and we need to recognise that and invest properly in those services. It is often through the hospice movement that such people are properly looked after and their families properly supported during the terminal illness.

Hospice charities have many concerns, because in the past the top level of government paid insufficient attention to the role that hospices play in easing the burden on the NHS, as well as in providing a vital service for local communities. We are of course in a time of economic belt-tightening, but given the Government's investment

in the big society, there is a unique case for supporting hospices and the valuable services that they provide, alongside their role as a provider of NHS services and a key provider of support for families in the community.

Sarah Newton (Truro and Falmouth) (Con): On the point about invaluable support services, does my hon. Friend agree that hospices, such as Children's Hospice South West, which aims to build a new hospice in Cornwall to add to those it has in Devon, offer vital support to families through respite care for the children whom they look after who, sadly, have terminal illnesses?

Dr Poulter: My hon. Friend is absolutely right, and I am delighted to hear that a new hospice is emerging in her part of the country. I am sure that it will provide a valuable service. I shall focus most of my comments on the provision of adult care, but she is absolutely right to talk about children's hospices, because a sick child—especially one with a terminal illness—needs a lot of support and care, as do their families in particular, during their illness. I am delighted that the communities in her part of the world are investing in that service.

I shall now discuss the hospice movement's background, because it teases out the key areas of support that hospices provide. We all probably know that St Christopher's hospice in Penge, south London, is likely to be identified as the first modern hospice, and I am delighted that in my constituency we have a hospice, St Elizabeth's hospice, which provides a key service, supporting most of central and eastern Suffolk. St Elizabeth hospice delivers a number of services. It has 18 in-patient beds, some of which are for respite care, to which my hon. Friend the Member for Truro and Falmouth (Sarah Newton) alluded. These provide care to give families time off when dealing with a relative who has a terminal illness, and look after people in the very last days of their life.

However, hospices do more than that. One thing that is often forgotten when we talk about the hospice movement is the very valuable outreach service that they provide to their communities. People will want to have as good a death as possible, and part of that is about supporting them in being able to die, where possible, in their own homes in as comfortable an environment as possible. What St Elizabeth hospice does very well, as do many others, is invest in those outreach services to ensure that people can die comfortably at home.

Stuart Andrew (Pudsey) (Con): It was my privilege to spend 12 years of my life working in the hospice movement, particularly on the fundraising side, in adults' and in children's hospices. My hon. Friend raises the very important point that there is an ongoing national review of palliative care. Does he agree that it is very important that that takes account of the full range of services that hospices offer, whether for children or for adults, because it is that range of services that the families and the patients value so dearly in the hospice movement?

Dr Poulter: I am grateful to my hon. Friend for contributing to the debate given his experience. He is absolutely right. In end-of-life care, different solutions work for different families, and the whole point is to ensure that people and their families are supported in the way that suits them. Some people may choose to die in the comfortable surroundings of a hospice; many may want to be cared for and looked after in their own homes. I am sure that as part of the review we will see a greater understanding of that, and particularly of what is provided in the vital outreach services looking after people in their own homes.

My hon. Friend is also right to raise the issue of funding for hospices. St Elizabeth hospice and St Christopher's hospice receive only about a third of their income from the NHS or primary care trusts; the other two thirds are raised directly through able volunteers and their charity activities. The national end-of-life care strategy published in 2008 was rightly accompanied by the provision of £286 million over two years to be spent to support the operation of hospices. I have to say that there were concerns about how that money was being spent. It is right that a review of hospice and palliative care is being carried out under the new Government. In a recent debate in the Lords, the Parliamentary Under-Secretary, Earl Howe, said:

> "A huge amount of money is being spent on end-of-life and palliative care. We know that it is often not used as it should be."—[*Official Report, House of Lords,* 15 December 2010; Vol. 723, c. 694.]

The palliative care funding review aims to address that issue by identifying a per patient funding model for adult and child palliative care services across health and social care. An interim report was to be published in December that looked particularly at supporting the role of the outreach services in palliative care. That is a very good thing. The per patient tariff is obviously a complex issue involving how much it would cost to look after somebody at home and how much it would cost to look after them in the hospice setting. How, in the Minister's view, will the per patient tariff apply at this stage to looking after people at home as opposed to in the hospice? Does he think that some allowance will be made for the additional cost, particularly in rural areas, of looking after people with terminal illnesses at home as part of an outreach service?

There is a great need throughout hospitals and throughout the hospice movement to have more specialist palliative care services. GPs and PCTs tend to associate those services only with cancer, and at the moment they generally tend to be accessed by people with cancer. I hope that one thing that may come out of the palliative care review—perhaps the Minister can comment on this—is a greater move towards Department of Health support, through the dying days of PCTs, for a greater emphasis on hospices being able to reach out to people with other illnesses such as motor neurone disease, heart disease, chronic obstructive pulmonary disease and other terminal illnesses, so that we ensure that GPs and local health care providers are more in tune with that. Hospices want to do that and I am sure that the families of patients with those terminal illnesses would receive great support and benefit from such care.

Hospices, and indeed the sector, face a number of challenges. I will raise two. First, as I have suggested, there is a need to improve relationships between hospices and primary care trusts. A good thing that I think will happen as a result of the Government's health care reforms is that when local GPs, who understand the needs of the local communities, are in charge of health care, they will forge better relationships with hospices, and in particular their outreach services, than there are at the moment. Far too often in talking to hospices over

[Dr Poulter]

the past two or three weeks I have found that they do not feel that there is a proper corridor or dialogue with primary care trusts. I hope that the Minister will agree that the Government's health care reforms will better recognise the valuable roles that hospices play in local communities.

Secondly and importantly, hospices often operate under a great burden of red tape, because they fall between a number of stools. They are involved with the Charity Commission because of their charitable role, the Care Quality Commission, Monitor, local authorities, the NHS commissioning board, and possibly other public health regulators. Meeting all those requirements places a great financial burden on hospices, perhaps more so than for other NHS providers or charities that have more discrete accountability. That needs to change. Given that they are charities and organisations that do not have a great deal of public funding, their having to answer to and be accountable to so many bodies through their administration is counter-productive and draws money away from patients. I would be grateful if the Minister outlined how the Government can reduce the administrative burden so that more of the money that hospices have goes to patients, rather than being wasted on administration and bureaucracy.

To conclude, there are a number of areas to applaud. The Government policy is GP-led and there will be locally sourced knowledge, which will much better recognise the needs of local hospices. The per patient funding will be patient-centric, which can only be a good thing. The health care reforms will provide greater transparency in the delivery of funding. Of course, that all ties in with the big society.

I am grateful to the House for having this debate. I have asked a few questions and am sure that the Minister will answer them. I want hospices to have a viable and strong future in which they have more support from public bodies, but are set free from the administrative burden that holds them back and prevents them from spending money on patients. I look forward to the Minister's response.

9.13 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Central Suffolk and North Ipswich (Dr Poulter) on securing this debate and on laying out the issues so clearly. We must draw attention regularly and repeatedly to the contribution that hospices make to our society. As he rightly said, they are in the vanguard of the big society. He was right to paint the picture of the factors that drive us to focus on the role of hospices, such as the demographic pressures that he described.

My hon. Friend talked with eloquence about the difference that St Elizabeth hospice makes to his constituency and his constituents. I join him in paying a warm tribute to that hospice and to the others that have been mentioned. Recently, I have had the privilege of visiting my local hospice, St Raphael's, and St Ann's hospice in Cheadle Hulme. I share his and other hon. Members' admiration for the tremendous care and compassion that is provided by staff in those places.

We want to ensure that these institutions grow and flourish as part of a more personalised approach to end-of-life care. How can we do that? First, we need to get the funding right to ensure that hospices can plan for the future with confidence. Secondly, we need to be much clearer about the role that hospices can potentially play in end-of-life care, and have that role recognised in the commissioning and shaping of local services. Thirdly, we need to establish end-of-life care as a clear priority for improvement across the NHS, using levers such as the outcomes framework, the operating framework and the forthcoming quality standard.

I know that my hon. Friend the Member for Central Suffolk and North Ipswich and others have concerns about funding. He will know from his recent visit that St Elizabeth hospice has recently undertaken a refurbishment programme. It had to raise a lot of money to pay for that work, but I am pleased to be able to say that part of the cost was funded from a £40 million capital grant scheme that we are making available this financial year. One of the coalition Government's first actions was to confirm that funding, as an early indication of our commitment to hospice care. Well over a hundred hospices, such as St Elizabeth, are receiving funding from that grant to help them improve their facilities.

My hon. Friend will know that that is part of a much larger sum that we have made available to support the end-of-life care strategy for adults. In the current financial year, £198 million was made available to help improve the quality and range of services for people in the final stages of life. That was an indicative amount set by the previous Government, and there have been doubts, expressed not least by the Public Accounts Committee, about whether the new money for the implementation of the strategy was being used for its intended purpose. The big question is how to ensure that the funding gets through.

Some argue, although the argument has not been advanced tonight, that ring-fencing is the answer. I actually believe that it would be likely to be a retrograde step. It would give the NHS less flexibility, less discretion and less scope to meet local people's needs at precisely the time when we need the NHS to have a more personalised approach. Ring-fencing can act as a cap rather than a guarantee, putting an artificial ceiling on the amount that an area can spend on end-of-life care rather than encouraging that amount to be commensurate with need.

Ongoing and increasing funding for end-of-life care will be part of the baseline for primary care trusts, and for the GP consortia that replace them. However, the local NHS will get freedom and responsibility in choosing how it spends the taxpayers' resources committed to health care. That is the key refreshing change that the Government's reforms will bring about. In return, we expect much greater transparency and accountability for the decisions that are made.

By monitoring how the new end-of-life care funding has been spent, we are doing what we can to shed light on PCTs' decisions and on the variations in spending that occur. Last year, for instance, just 20% of the money going to PCTs was allocated to hospices. We are repeating the monitoring process for this year and conducting a survey of total PCT expenditure on specialist palliative care, including that provided by hospices. Together, that will give a clearer picture than ever of how different parts of the NHS make use of local

hospices in delivering care. That is an essential component of the picture that we need to build to ensure that good commissioning takes place.

End-of-life care will also be given greater visibility in performance structures in the NHS. We have already published the NHS operating framework for the coming year, 2011-12, which emphasises the need for greater choice in end-of-life care. That care also figures prominently in the outcomes framework for the NHS, which will ensure that commissioners and providers give the matter priority. In fact, last month we published a set of performance indicators to work alongside the outcomes framework. For end-of-life care, PCTs are currently planning against the indicator measuring the percentage of deaths that take place in someone's usual place of residence—their own home or their care home. That will provide a real incentive, real traction and a real opportunity for hospices and other providers to work with commissioners to improve outcomes.

Finally, as I have mentioned, the quality standard that the National Institute for Health and Clinical Excellence is working on will give clinicians, hospices and health managers a clear and shared idea of what best practice looks like. NICE tells me that it expects the standard to be published by November this year.

Mr Steve Brine (Winchester) (Con): Naomi House children's hospice in my constituency is a fantastically run hospice that raises an enormous amount of money to continue its hospice-at-home service, which recently restarted. It receives about 12% of its direct care costs from the Department of Health, but was told a couple of years ago that that would come to an end this year, and it is not having much luck in securing ongoing funding from the primary care trust, NHS Hampshire. What advice would the Minister give to that hospice for the interim period before GP consortia in west Hampshire are up and running?

Paul Burstow: Hospices need to continue to work to demonstrate the huge benefits of their provision to commissioners. If the hon. Gentleman writes to me, I will pay close attention to what is happening in that regard.

My hon. Friend the Member for Central Suffolk and North Ipswich rightly mentioned the difference that GP consortia will make. GPs are the best people to bring together the provision that I have talked about, along with the new local health and wellbeing boards. The advent of GP consortia will change the relationship—quite fundamentally, and in the right way—between hospices and GPs. It will make it natural for doctors to talk to each other and solve problems together, and to draw on different sources of support to help patients get what they need. It is encouraging to note that three of the GP pathfinders—Westminster, Bristol and Somerset—are specifically looking at how they can improve end-of-life care under the new arrangements. That is a sign of GPs' interest in such care, and the potential for GP-led commissioning to bring about change and to address that challenge.

There is a new opportunity for collaboration and innovation, but hospices must not sit back—they must actively engage. We need them to be proactive in understanding and engaging with the new systems and structures as they settle into place over the next two years. They need to be proactive in talking with their local GPs and building up the relationships and mutual connections that will be essential to how the system works, and proactive in working with local authorities, which will play an increasingly important role in shaping and integrating care through the health and wellbeing boards. Ensuring that health and social care are commissioned and planned together is critical in the delivery of good end-of-life care.

Hospices also need to be proactive in broadening their horizons and innovating to support a wider range of people. As my hon. Friend rightly said, hospices are not just about cancer. We want people to be able to die in their own homes, where they would choose to be, and we need a more flexible and dynamic approach from both the NHS and hospices in that regard.

As my hon. Friend rightly pointed out—this is a key point—contrary to popular perception, only a small number of people actually die in a hospice. A great many more people benefit from their work in other ways. People could, for instance, receive day therapy in a hospice, or, as is the case with the local hospice in my constituency, they can get help from hospice staff working in the community, which was referred to by a number of hon. Members. Children's hospices, meanwhile, could get more involved in the long-term treatment of children rather than just end-of-life care.

We need to innovate in those partnerships. We need commissioners to make imaginative use of hospices as part of their end-of-life, palliative care plans. Hospices must also have the ambition to explore new ways of offering their skills and services to NHS commissioners. My hon. Friend is right that we need to reach out beyond cancer services—it is essential that services diversify. St Christopher's in London, which he mentioned, is doing excellent work with people with dementia who need end-of-life care. We need to focus much more on that to deliver the national dementia strategy.

I want more hospices to play a role in supporting people with other degenerative conditions—not just dementia, but conditions of the sort my hon. Friend rightly highlighted. We make that point explicitly in the national dementia strategy, as I said, and we want to reinforce it through the end-of-life care strategy.

The levers and the incentives are in place to enable hospices to secure NHS funding in the years ahead. But in the longer term we know that a new funding model is needed. We made it clear in the coalition agreement that we want to introduce a per-patient funding system that is built around a much clearer understanding of what level of care should be available through the NHS and that is fairer and more sustainable for all providers, including hospices, because it moves us away from the vagaries of grants—we have just heard about the problems those cause to the children's hospice in the constituency of my hon. Friend the Member for Winchester (Mr Brine)—and gives them certainty of a set level of funding per person.

The debate about this subject has been going on for some time and is well developed. I encourage hon. Members who have spoken to contribute to that work. In July, the Secretary of State for Health appointed Tom Hughes-Hallett, the chief executive of Marie Curie Cancer Care, to chair an independent review covering both adult and children's services. That review will look at the issues raised in this debate to ensure that we have

[Paul Burstow]

services that reach out beyond the confines of the hospice and address the wider cost issues in rural communities. An interim report was published at the end of last year, which sets out a definition of dedicated palliative care and provides initial thoughts on how a new national funding system could be built.

Stuart Andrew: Will the review take account of not only the similarities between children's and adult's hospices, but the differences? Respite care is a fundamental part of the care that children's hospices provide.

Paul Burstow: I can give my hon. Friend that undertaking. Understanding of and sensitivity to those differences will be reflected in how the review is put together. I will also ensure that this debate is brought to the attention of those doing this work.

Hospices play a strong and distinguished part in our communities. We absolutely want them to have a bright future. Yes, there will be challenges, not least because the financial environment will affect hospices just as it will affect other parts of the health system, and I can understand the concern that that creates. But through the operating framework for the NHS, the funding review and the wider improvements that we are making in terms of GP-led commissioning, we are creating the right conditions for a vibrant hospice movement for the future. That will mean that institutions like the ones my hon. Friend the Member for Central Suffolk and North Ipswich mentioned can continue to make a significant and valued contribution in the years ahead.

Question put and agreed to.

9.27 pm

House adjourned.

House of Commons

Thursday 3 February 2011

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Mackerel Quota

1. **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): What recent discussions she has had with her EU counterparts on mackerel quota. [37795]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I have had various discussions about north Atlantic mackerel, including discussions with Maria Damanaki, the EU Fisheries Commissioner, and discussions at Council of Ministers meetings in Brussels in December. Our discussions centred on hugely increased catches by Iceland and the Faroe Islands, and their failure to agree on stock management measures. In the light of that, the EU Commission agreed to table proposals for sanctions against both Iceland and the Faroe Islands if no agreement was possible in the near future.

Tom Greatrex: The Minister will be aware of the Icelandic Government's comment that the proposal to block Icelandic vessels from landing mackerel in European Union ports is neither surprising nor effective, given that most of their catches are landed at Icelandic ports. Is it not time that the matter was dealt with seriously, and should not Iceland's accession to the EU be put on hold until the dispute is resolved? It is having a hugely disruptive influence on a core economic interest in Scotland.

Richard Benyon: I entirely agree. My consultations with Maria Damanaki and others across the Government have centred on the proposition that when a country is seeking to join a club, tearing up the rule book before it even enters is strange behaviour. We aim to ensure that Iceland's accession is seen in the light of its actions in relation to the fish stock.

Dr Thérèse Coffey (Suffolk Coastal) (Con): I agree that if we are to have quota rules, they must be obeyed. Has the Minister any other views on quotas—specifically in relation to fishermen in the under-10-metre sector—that he might wish to include in his discussions so that we do not experience another crisis in the summer?

Richard Benyon: We will be consulting the industry shortly about changes in the operation of our domestic fleet and about how we can help it to secure greater sustainability. The issue really comes down to the sustainability of stock. Approximately 1% of the egg survey is in Icelandic waters. There is an obvious way in which the Icelanders can negotiate. I urge them to operate in the way that we do across fisheries—to sit down and talk, rather than acting unilaterally.

Fish Discards

2. **Nigel Adams** (Selby and Ainsty) (Con): What steps she is taking to reduce fish discards; and if she will make a statement. [37796]

3. **Matthew Hancock** (West Suffolk) (Con): What steps she is taking to reduce fish discards; and if she will make a statement. [37797]

6. **Tony Baldry** (Banbury) (Con): What steps her Department is taking to reduce fish discards. [37800]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The United Kingdom Government are pursuing a policy of minimising discards through the reform of the common fisheries policy in 2012. Work is also being undertaken domestically with our fishing industry to increase the selectivity of fishing and to improve the utilisation of the remaining unavoidable fish catches. Levels of discards from the UK fleet have been decreasing year on year since 2002. I am committed to taking further action.

Nigel Adams: Are there any lessons to be learned from countries such as Norway, Iceland and the Faroe Islands, which have managed to replenish their fish stocks and in which the common fisheries policy has completely failed?

Richard Benyon: It is beyond doubt that the common fisheries policy is broken. It is based on a centralised top-down system, and we must reform it by decentralising it. We must also make the management of our fisheries relevant to the way in which we manage the marine environment as a whole.

We can learn lessons from other countries. As our exchanges on the previous question made clear, they are not repositories of pure virtue, but there are certainly lessons that we can learn about the local and regional sea base and management.

Matthew Hancock: Was the Minister as shocked as I was by a recent television documentary about fish discards? I was appalled by what fishermen who work so hard have to do because of the rules. Will the Minister assure me that he has been working on the issue not just since the public outcry, but since the moment that he was given the job?

Richard Benyon: I applaud the Fish Fight campaign, which has been conducted very ably by Hugh Fearnley-Whittingstall. My one criticism is of the line that the fight back starts here. I should say in fairness to the previous Government that the fight back started many years ago—and the present Government, too, have worked extremely hard on catch quotas, fishing for

the market, and a variety of measures to reduce the number of discards. I am happy to work with anyone. We need to win public support and, in that regard, the programme was a great success.

Tony Baldry: Speaking as the last Conservative Fisheries Minister in the Major Government, I can tell my hon. Friend that I thought he was considerably better at identifying fish at Billingsgate than I could ever have been.

I believe that the whole House supports my hon. Friend on the need to reform the common fisheries policy. Let me say to those who oppose quotas that reducing fishing and protecting fish stocks by reducing effort is no easier an option, and that we must face the reality that fishermen will not want to keep their boats in port.

Richard Benyon: I am grateful to my hon. Friend for his kind words. When interviewed at five o'clock in the morning, I would be hard pressed to recognise my own children, let alone fish stocks. I am grateful to my friends and enemies who have sent me fish charts, with which I wiled away the long winter evenings. He rightly says that there is no one-size-fits-all solution to this problem; there are opportunities to increase effort control, but we also have to deal with the problem of quotas. That is a problem in a mixed fishery and it has been part of the driver towards the number of discards, which we are so keen to reduce.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I know that the Minister is well aware of the pioneering efforts made by the Scottish white fish fleet and the Scottish Government in recent years to reduce dramatically the number of discards going into the North sea—the relevant figure is about 30%. People in coastal communities are pleased that the issue is now getting the wider prominence it deserves and has deserved for a long time. I am grateful to him for outlining his Government's commitment to radical reform of the common fisheries policy, but I still question whether there really is the political will across the European Union to make the kind of changes necessary to tackle discards. We welcome his commitment, but what are the realistic assessments—

Mr Speaker: Order. We do have to have a question. I call the Minister.

Richard Benyon: I am grateful for the hon. Lady's comments and I applaud the work of her constituents in trying to ensure that catch quotas work. I am glad that we managed to expand the scheme in the December round. She is right to say that we have to build alliances across the European Union, and I am working extremely hard to do that in the fringes of Council meetings and elsewhere. We are trying to get support at the radical end of the reform spectrum, so that we can achieve the kind of changes that mean that discards are a thing of the past and we can address the concerns raised by her constituents and constituents of all Members, including those representing inland constituencies, by ensuring that sustainability is at the heart of our fisheries management policies.

Kerry McCarthy (Bristol East) (Lab): One of the methods of dealing with the problem of overfishing and depleted fish stocks is the use of marine conservation zones. Will the Minister update the House on what he is doing to ensure that there are more of these zones, not only in British waters, but overseas?

Richard Benyon: We are progressing with the implementation of the Marine and Coastal Access Act 2009, which will result in marine protected areas—marine conservation zones—around the coasts. We have four projects up and running, and I am working very hard to ensure that they are properly resourced and working towards the timetable of 2012. I very much hope that they will be able to deliver on that, and I will keep the House informed on progress. At the recent OSPAR talks in Bergen I was able to support a wider proposal in respect of international waters. The work we do on international fisheries and fisheries partnerships is key to ensuring that fishery conservation measures not only apply in our own waters, but are followed up elsewhere.

Mr William Bain (Glasgow North East) (Lab): Does the Minister agree that, as Denmark has shown, further action can be taken by this Government, in conjunction with the devolved Administrations, to cut discard levels this year? Will he seek approval for an increase in the scope of this year's catch quota trials, which half the Scottish white fish fleet expressed an interest in joining? Will he pledge to incentivise investment in more selective nets and in on-ship CCTV to monitor what stocks are being taken from the sea? Would those measures, together with radical reform of the CFP, not add up to an effective national action plan to end for good this appalling waste of good quality fish?

Mr Speaker: There were a lot of questions there, but I know that we will hear a pithy response from the Minister.

Richard Benyon: The UK Government have a very clear strategy to ensure that we reduce the level of discards and do not wait until 2012 to achieve that. Our fishing for the market scheme is addressing the 54% of discards created by the fact that there is no market for those products. We also managed to get an extension of the catch quota trials, and I was extremely pleased about that, because they achieve the virtue of catching less but landing more. That is the holy grail of fisheries management.

Rural Payments Agency

4. **Tessa Munt** (Wells) (LD): What progress she has made on improving the performance of the Rural Payments Agency. [37798]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): Progress continues to be made in addressing the dire legacy described vividly in the independent review of the RPA published last year. Despite the issues arising from the updating of farmers' maps and reduced staff numbers, the RPA met its target to pay 85% of 2010 claimants by the end of December. But there is still much to do and it will inevitably take some time to address some very long-standing problems fully.

Tessa Munt: I ask the Minister to recognise the work of the Farm Crisis Network, particularly the work of Suzie Wilkinson, the FCN's co-ordinator in Somerset, and the pastoral and practical support it gives to farmers

working under stress. In Somerset, there were 12 new cases in January, 10 of whom are owed something like £295,000. Farmers face eviction by banks, are unable to pay for feed and some may have to sell their stock because of TB problems. Will the Minister ensure that the RPA accelerates the cases of Somerset farmers, such as Bob Pether, whose payments have been incorrect every year since—

Mr Speaker: Order. We are grateful to the hon. Lady.

Mr Paice: I have huge admiration for the work of the Farm Crisis Network, which I have visited and met on a number of occasions. The hon. Lady is right to say that it supports some very hard-pressed farmers, particularly small farmers, for whom the single farm payment is a major part of their income and without which they would be in desperate straits. I am determined that the RPA should find a way forward to get some cash into the hands of those people as soon as possible. If she would like to write to me about particular cases, I would be happy to pursue them.

Susan Elan Jones (Clwyd South) (Lab): Will the Minister tell us how many staff will be cut from the RPA as a result of the 30% departmental spending cuts? Will he also explain how that will speed up payments to farmers?

Mr Paice: The hon. Lady assumes that the RPA was working efficiently, but it certainly was not, as the previous question demonstrates. Yes, the reduction in overall public expenditure means that the RPA is having to take a reduction in staff alongside all other arm's length bodies, but at the same time it is becoming far more efficient, with better work practices and a new chief executive who started a fortnight ago. I am convinced we can do better with less.

Forests

7. **Dr Julian Huppert** (Cambridge) (LD): What plans she has to ensure that access to forests is maintained or improved. [37801]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): The public forest estate consultation explores a range of models for the ownership and management of the estate and how important public benefits such as access can be maintained. An example would be how lease conditions could be used to ensure that access and other public benefits are protected.

Dr Huppert: In addition to established legal rights of way and Countryside and Rights of Way Act 2000 access rights, will the Secretary of State ensure that there are robust additional protections for access rights that are currently permitted access only, and will she safeguard existing access for bikes and horses?

Mrs Spelman: We had a lengthy debate last night in which I made it clear, at length, that permissive access rights are very limited in number and are on land that the public forest estate does not own.

Barry Gardiner (Brent North) (Lab): Will the Secretary of State tell the House the projected figures for the next 10 years for the revenue that will come from the public forest estate? Will that revenue be offset by the benefit to the Exchequer from the sale of such land?

Mrs Spelman: Different types of forest are subject to different proposals in our consultation document, which is a genuine consultation. The planned sales—a continuation of the previous Government's programme—are expected to raise £100 million over the spending review period. That will be part of DEFRA's overall provision within that period.

Neil Parish (Tiverton and Honiton) (Con): I welcome the Secretary of State's genuine consultation over the next 11 weeks—12 weeks in all. When will she make a statement to the House after the consultation has finished?

Mrs Spelman: First, we need to make it absolutely clear that this is a genuine consultation, unlike a lot of the consultations that I experienced under the previous Government. We want as many people to take part as possible. There is a statutory three-month period; Ministers will reflect on relevant considerations and bring to the House our considered view in a timely fashion.

Mary Creagh (Wakefield) (Lab): Public access is absolutely vital to local communities. The Secretary of State talks about her consultation period, but before that period is over, the Government will start selling off 10,000 hectares of public forest land. That is more than was sold in Labour's entire period in office. I should like to know what right communities will have to bid for that land. How long will they have to raise the money? Will it be sold as leasehold, and is it correct that the selection for this year deliberately avoids woodlands that give public benefits because the Government want to maximise the capital raised from assets?

Mrs Spelman: The criteria for the planned sales are set out in the public domain on the Forestry Commission website. They are a continuation of a programme of sales that have taken place over the past three decades. As the hon. Lady knows, her party's Government sold off 25,000 acres—*[Interruption]*—without the protection that this Government will provide.

Mary Creagh: Hon. Members cry "Shame," but we sold that off to reinvest the money in the forest; this money is to be reinvested in flood defence schemes. The land will be sold with no higher rights of public access. Government Members should think very carefully about what is happening. Is it not the case that, on the public forest, the Secretary of State does not know what she is doing, does not know why she is doing it, and nobody wants her to do it? Is it not time to stop and think again?

Mrs Spelman: I think the hon. Lady was not listening clearly last night. Ministers have repeatedly given assurances in this House that access and other public benefits will be protected. However, many of the pieces of land that fit the criteria the Forestry Commission has set out do not have access attached to them at present. She should reflect carefully on our public consultation document and gain a better understanding of what happened

when Rigg wood was sold off under the conditions set by her party's Government in their contract: without protection, access is now denied.

Ivory Trade

8. **Mr Adrian Sanders** (Torbay) (LD): What steps she is taking to reduce the volume of international trade in ivory. [37802]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The UK supports the global ban on the international trade in raw ivory imposed in 1989. While occasional one-off sales have been permitted in the past, we are working to ensure that no further sales of ivory take place without firm evidence that such sales will reduce poaching. In the UK, we employ stricter domestic measures than those required under the convention on international trade in endangered species concerning the trade in ivory.

Mr Sanders: I think the Government are doing a good job, building on the work of the previous Government, but there is still a great deal of concern that we are not tackling where the exchange takes place: on the internet. Do the Government have any plans to try to stop the sale of ivory through internet transactions?

Richard Benyon: My hon. Friend is right to point to that development in the illegal trade in ivory. For that reason, it is important that we continue to support schemes that give us evidence: for example, MIKE, the monitoring of illegal killing of elephants; and—dealing precisely with his point—ETIS, the elephant trade information system. We support those international efforts to make sure that we understand the problem and that we in this country have our house in order. I am impressed by the expertise found in a variety of agencies and shall continue to ensure that we play our part.

Common Agricultural Policy

9. **Annette Brooke** (Mid Dorset and North Poole) (LD): What steps she is taking towards reform of the common agricultural policy. [37803]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): The Government have recently responded to the European Commission's communication, "The CAP towards 2020". Our response calls for ambitious reform of the CAP that will enable farmers to meet the challenges and opportunities of the future.

Annette Brooke: I thank the Secretary of State for her answer. The second pillar of the CAP provides essential support to farmers to deliver environmental public goods. Which of the European Commission's proposed options for reform does she think best balances the need to maintain landscape and diversity with food production and the protection of consumers and taxpayers?

Mrs Spelman: The whole of the Commission's proposed reform of the CAP should address the twin challenges that the hon. Lady describes. Obviously, it is the combination of direct payments and the payments under pillar two—in particular, in this country, the way we use agri-environment stewardship schemes—that balances best the environmental benefits with food production. That is why the coalition Government are committed to increasing by 80% higher level stewardship.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The Secretary of State will be aware of the unease among farmers in Wales and the Welsh Government about the UK Government's current position on CAP reform. Will she inform the House what progress she is making in developing a joint negotiating position?

Mrs Spelman: My right hon. Friend the Minister of State and I took the opportunity to invite the Welsh Minister for Agriculture to meet the Commissioner with us as early as June last year. We have had successive meetings with all the devolved Administrations and will continue to do so, as the reform process is likely to take a great deal of time. I find that we have much in common with the Welsh Assembly's position and believe that there is much that we can do as we negotiate the reform to ensure that we get a good deal for farmers in Wales.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I ought to declare an interest as one of the few practising farmers in this country. *[Interruption.]* In this Parliament. Will the Secretary of State, when considering the reform of the CAP, consider that Europe will have an important place in enabling agriculture to feed the world? Will she move away from the CAP's structural faults, such as the growing of tobacco that is of such poor quality that no one wants to use it, and ensure that those practices are stopped?

Mrs Spelman: It is of the utmost importance that farmers in Europe are encouraged to produce more food and to do so sustainably. When we look at the threat to our society globally in relation to food security, it is clear that the nations that have the capacity to increase production sustainably are the ones that we should be fully behind.

Mr Denis MacShane (Rotherham) (Lab): I mean the Secretary of State no harm, but as the second closet European in the Cabinet, does she agree that if we are to reform the CAP it is no use agreeing only across this Chamber? We have to convince our Irish, Spanish, French and Italian friends. The isolation of her party from the main centre-right conservative parties in Europe does not help.

Mrs Spelman: I have some good news for the right hon. Gentleman: the coalition agreement states clearly that we desire to be a "positive participant" in Europe. My colleagues and I have set about building alliances in order to secure the reforms that will benefit taxpayers, farmers, consumers and the environment. I am pleased to report that he will find that the position of our traditional friends—the Scandinavian countries and the Netherlands—and that of the German, English and Welsh farming unions is very close. That is the kind of alliance that brings about changes.

Bees

10. **John Pugh** (Southport) (LD): What recent progress has been made on reducing the incidence of diseases in the bee population; and if she will make a statement. [37804]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I am pleased to report that there has been a significant reduction in the number of colonies lost from all causes. For example, losses over the 2009-10 winter were 16%, compared with 30% in 2007-08, and cases of foulbrood disease have decreased steadily since 2008. It is clearly too early to know the results for the current winter, but I can tell the hon. Gentleman that the national bee unit has lost only two out of 180 units.

John Pugh: I thank the Minister for that response. The previous Government's promises to fund research into bee diseases created a buzz of anticipation, so can I take it that the coalition have a proper plan "Bee"?

Mr Paice: The previous Government committed £4.3 million to research on bee health, as the hon. Gentleman rightly said, and I am happy to pay tribute to them for that. Of that sum, £2 million was for the insect pollinators initiative, and £2.3 million was for the healthy bees plan, and we hope that those resources will deliver results. I must say, however, that that was the result of a massive campaign by Back Benchers on both sides of the House, which forced the previous Government to commit those resources.

Flood Defences

11. **Mrs Mary Glindon** (North Tyneside) (Lab): When she plans to make an announcement on funding for individual flood defence schemes during the comprehensive spending review period. [37806]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The Environment Agency has been consulting regional flood defence committees on the programme for 2011-12. The agency's board will be deciding the allocation of funding to each region shortly. Information on individual schemes will be published as soon as possible. Decisions on funding for future years depend on the outcome of DEFRA's consultation on the way schemes are funded.

Mrs Glindon: People in the north-east whose homes were devastated by the floods in 2008 have learned that planned flood defences have now been deferred. What message does the Minister have for those people who, as well as living with the worry of future floods, have the added financial concern of losing all insurance cover because those defences are not guaranteed to go ahead?

Richard Benyon: First, those schemes have not been rejected; they will be looked at again to ensure that they can provide good value for money for the taxpayer. Secondly, we are consulting on a payment-for-outcomes scheme, which for the first time will ensure transparency in flood funding, allowing local communities to understand where they are in the pecking order and how they can assist in ensuring that their flood schemes come forward. On insurance, we are working closely with the Association of British Insurers, so that we can ensure future cover after the statement of principles ends.

Greg Mulholland (Leeds North West) (LD): Everyone realises that money is tight, but will the Minister look again at the importance of the Leeds flood alleviation scheme on the River Aire? In 2007, the city centre was centimetres away from flooding, with £500 million of damage to 3,000 properties projected. It is an incredibly important scheme that cannot simply be left to gather dust.

Richard Benyon: I am conscious of the scheme's importance to the people of Leeds, and much work can be done to ensure that parts of it are certainly brought forward in a viable form. My right hon. Friend the Secretary of State has had discussions with the hon. Gentleman's colleagues and she will be happy, as I will, to discuss the intricacies of the scheme. At the moment, it will cost roughly £250,000 per property, which is a difficult sum to get around in terms of value for money. Many other schemes provide much better benefit, but I very much hope that we can work with the local authority and with hon. Members to ensure that, in time, we bring forward elements of it.

Mr Jamie Reed (Copeland) (Lab): It is a matter of fact that the Government have decided to cut flood defence spending by 27%. Those cuts mean that the Environment Agency has had to change the way in which it allocates resources through its outcome-measure assessments, and that has already had an effect upon flood defence schemes throughout the country. Will the Secretary of State today give a guarantee—not assurances, but a guarantee—that her cuts will not prejudice flood defence schemes in rural areas and other less populated areas, where the economies of scale for flood defence spending are very different from schemes in more urban areas?

Richard Benyon: I can assure the hon. Gentleman that proposals under the payment-for-outcomes scheme, on which we are consulting, will make things easier for communities that have traditionally missed out on flood funding, such as those he describes in rural areas, and that funding allocation will be clear. I shall just correct him, however. On a direct comparison of funding, we are spending approximately 8% less than the previous Government over the same period. One year ago, his party announced 50% capital cuts, and if he were sitting on the Government Benches and intending to favour flood funding, he would have to explain where else he was going to make cuts.

Forests

12. **Mr Dave Watts** (St Helens North) (Lab): What recent representations she has received on the sale of land managed by the Forestry Commission in England. [37807]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Since the beginning of October, we have received 4,200 representations on the sale of the public forest estate, but most of those

were in response to press coverage, not to the real consultation document, which was published on 27 January.

Mr Watts: Should it not be clear even to this Government that selling off our forests is a bad idea that has no public support? Will the Minister abandon the policy before she is forced to do so because of public pressure?

Mrs Spelman: The hon. Gentleman was perhaps not in the House last night, so allow me just to remind him that, in the last few months before the general election, the party of which he is a member published when in government an operational efficiency programme setting out the case for long-term leases of the public forest estate and for getting

"greater commercial benefit from the public forest estate".

Harriett Baldwin (West Worcestershire) (Con): I have had more representations on this issue than on any other since I was elected—probably about 500 so far. If I send them on to the consultation with a covering letter, can the Secretary of State reassure my constituents that they will all be counted as individual submissions?

Mrs Spelman: I can give my hon. Friend that assurance. All hon. Members should actively encourage their constituents to read the genuine consultation document. There has been an awful lot of mythology in the press, and we would welcome responses to the genuine consultation.

Caroline Lucas (Brighton, Pavilion) (Green): Given that 60% of private English forests outside the public forest estate are under-managed, and that only 16% of them meet Forestry Stewardship Council standards, compared with 100% of Forestry Commission woodland, are not the public absolutely right to oppose this sell-off, which puts high levels of access and biodiversity at risk?

Mrs Spelman: I do not accept that it puts biodiversity at risk. That is something that I am particularly committed to enhancing and improving, as is set out in the proposals. The hon. Lady's point will remind everybody that the public forest estate covers only 18% of woodland. Under the reforms that we propose, the Forestry Commission would continue in a regulatory role, and I would expect it to help us to achieve even higher standards of maintenance in both the public and the private forest.

Andrew George (St Ives) (LD): Bearing in mind the Secretary of State's concerns about public perception of the consultation proposals, does she agree that now may be the time to provide greater clarity about the conditions governing how the 40,000 hectares announced in the comprehensive spending review will be disposed of?

Mrs Spelman: I am happy to provide clarity. The criteria for the continuing sales of land as part of the CSR planned release are published and in the public domain on the Forestry Commission website. They look principally for sites that are less accessible and have a large requirement for expenditure. The criteria are set out in the public domain, and I am sure that the hon. Gentleman can help to point people to the right place.

Sir Peter Soulsby (Leicester South) (Lab): I have read the consultation paper. I have also read the impact assessment, which shows that the selling of our forests and dismantling of the Forestry Commission has nothing to do with the costs or the benefits. We know that the Government are not listening to the big society or the community, because community groups are desperately worried about having to take on responsibility for their woods and forests. I note that today, as yesterday, the Secretary of State has not even mentioned her phoney argument about regulation, because it is so weak. At the heart of this, one question remains: just why is the Secretary of State determined to sell off our precious woods and forests?

Mrs Spelman: That was part of last night's debate. It is clear that the Opposition do not want community groups and charities to be able to take ownership and management. That is clearly a divide between our parties. This is not primarily about cost and benefit. The point about regulation still stands. The Forestry Commission is both the regulator and the largest seller of timber in the market that it regulates. In this day and age, that kind of conflict of interest cannot continue.

Rural Payments Agency

13. **Mr John Baron** (Basildon and Billericay) (Con): What progress has been made in resolving the single payment scheme difficulties experienced by Mr Peter Philpot. [37809]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I apologise very much for the unacceptably long delay in resolving the issues on Mr Philpot's single payment scheme claims. For the House's information, I should declare that I know Mr Philpot personally. This is one example of the dire legacy at the Rural Payments Agency. I understand that Mr Philpot is due top-up payments for the 2007 and 2008 scheme years, and these will be made by the end of this month. Resolving the underlying problems will take longer, but I am committed to seeing that permanent solutions are found.

Mr Baron: The Minister kindly acknowledges that the RPA has failed my constituent over a long period. Will he detail in writing what has held up the claims so far, and which entitlements are causing the problem, in time for a meeting on 15 February between the National Farmers Union and Mr Philpot?

Mr Paice: To be honest, I am not sure that I can write to my hon. Friend detailing which particular transfers or entitlements are wrong. The problem is the computer system, which is completely inadequate for its purpose. It was commissioned, of course, by the previous Government, and it is not fit for purpose, especially in very complex cases such as Mr Philpot's, where a large number of transfers of entitlements have had to be brought into play.

14. **Rehman Chishti** (Gillingham and Rainham) (Con): What progress she has made on improving the performance of the Rural Payments Agency. [37810]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I refer my hon. Friend to the answer I gave earlier.

Rehman Chishti: Has the Minister considered the merits of outsourcing the agency's payments process to improve performance and efficiency?

Mr Paice: The short answer is yes—which my hon. Friend might be happy to settle for. I should emphasise, however, that that was one of the recommendations in the report that we published last year. We are pursuing it, but we have to ensure that we get the existing stuff working so that we do not interrupt payments even more while we look at the whole process of outsourcing.

Fish Discards

15. **Simon Hughes** (Bermondsey and Old Southwark) (LD): What steps she is taking to reduce fish discards; and if she will make a statement. [37811]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I refer my right hon. Friend to the answer that I gave earlier.

Simon Hughes: I listened to the Minister's earlier answers. Fish, like forests, are of as much interest in Bermondsey and Southwark as anywhere else in Britain. What is he doing not only to deal with the common fisheries policy, but to ensure that people at home understand the benefits of eating more fish, particularly sustainably caught fish, so that they can both be healthier and help to solve this Europe-wide failure?

Richard Benyon: The Fishing for the Market project, which is being carried out by DEFRA, analyses the 54% of discards that are created because there is no market for those fish. Some of them are perfectly edible delicious fish, such as dab. We must also ensure that the public ask for Marine Stewardship Council accredited fish, which can be bought at the fishmonger and the supermarket. Supermarkets are the key to driving forward this agenda.

John Cryer (Leyton and Wanstead) (Lab): The common fisheries policy is probably the most unmitigated disaster in EU history—and that is up against some pretty stiff competition. The doctrine of common resource has been a disaster from the beginning. The Minister says that the common fisheries policy is broken, so why is he talking in terms of reform. Why does he not just abolish it?

Richard Benyon: I could spend all my energy trying to unpick the common fisheries policy from various treaties, probably going back to the treaty of Rome. However, I am dealing with an industry in crisis, and with people's jobs. They want me to push at a door that is open. I urge the hon. Gentleman to read the Commission's paper and position statement, because for the first time there is an opportunity to decentralise this matter and to get back more local control. That is what the industry wants, and what we all want.

Dangerous Dogs

16. **Gavin Shuker** (Luton South) (Lab/Co-op): When she plans to announce proposals arising from her Department's consultation on the Dangerous Dogs Act 1991. [37812]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): We are working closely with the Home Office, and we expect an announcement shortly regarding antisocial behaviour, in which the issue of dogs will be included.

Gavin Shuker: Members from across the House who have had serious dog attacks in their constituencies will welcome that answer. There are, however, serious concerns about the ability to implement any changes that come from the consultation, given the serious and deep cuts to the Department for Communities and Local Government and to neighbourhood policing. I would like the Minister to respond to that.

Mr Paice: I cannot pre-empt the announcements that the Home Office will make shortly. I assure the hon. Gentleman that the plan is not for massive additional public expenditure in dealing with this issue. He will have to await the proposals that will be published shortly.

Mr James Gray (North Wiltshire) (Con): We are all concerned about dangerous dogs—of course we are—and about the antisocial element among ordinary dogs. None the less, does the Minister agree that there is a risk that perfectly normal dogs that bark might suddenly find themselves captured in all-encompassing anti-dog regulations? Will he be cautious in addressing the problems raised by the hon. Member for Luton South (Gavin Shuker)?

Mr Paice: My hon. Friend is right to urge caution. There are two slightly different perceptions. One is of the dogs that people use as fashion accessories, such as the pit bull-type dogs used by the louts that we sometimes see walking about the streets. However, the tragedies often involve household pets that, for some reason, have gone wrong. We have to bear that in mind and look at the whole picture.

Farm Incomes

17. **Miss Anne McIntosh** (Thirsk and Malton) (Con): What recent estimate she has made of the level of farm incomes; and if she will make a statement. [37813]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The latest forecasts of farm incomes were published on 27 January. They indicate that average incomes are likely to show a marked increase in 2010-11 on arable farms, but to fall on livestock farms. I am sorry to say that the current price for grain is likely to increase that differential.

Miss McIntosh: Is the Minister aware that incomes are expected to drop by 60% for pig farms, 30% for sheep farms, 48% for farms with grazing livestock and 24% for dairy farms, and that the increase for arable farmers that he referred to is due only to the single farm payment? In the context of common agricultural policy

reform, will he assure the House, and farmers, that the emphasis will remain on farm production and on ensuring a fair return to our producers?

Mr Paice: I do not think that my hon. Friend is right to attribute the rise in arable income to the single farm payment. It is because the price of wheat today is more than double what it was a year ago. As my right hon. Friend the Secretary of State said earlier, our approach to the common agricultural policy is about trying to drive up productivity and competitiveness and to stop wasting money in areas in which it should not be spent. That is why we want to see a greater proportion of the funding spent on pillar two, in which we can actually aid competitiveness.

Nia Griffith (Llanelli) (Lab): Can the Minister tell us what talks he has had with Treasury colleagues about encouraging the banks to lend more to farmers? Farmers in my constituency are suffering considerable difficulties and finding that banks are changing terms and conditions and refusing to accommodate their needs in any way.

Mr Paice: The hon. Lady is not alone in having constituents with those problems, and of course they are not restricted to farmers. As she will know, my right hon. Friend the Chancellor has already made a number of statements on the subject, including about ways in which he can press the banks to be more open with their lending and perhaps charge less for it.

CITES

18. **Jo Swinson** (East Dunbartonshire) (LD): What recent assessment she has made of the effectiveness of the convention on international trade in endangered species; and if she will make a statement. [37814]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): DEFRA has not undertaken any recent assessment of the effectiveness of CITES. The next opportunity to examine the extent to which the convention is delivering the objectives of its strategic plan will be the CITES standing committee in August.

Jo Swinson: The Minister may be aware of the recent cross-border crackdown on illegal wildlife smuggling in central Africa, which led to arrests and the seizure of 150 kg of ivory, 1,000 African grey parrots, 17 turtle shells, seven leopard skins, two lion skins and a rather grisly haul of ape heads. That successful operation was co-ordinated by Last Great Ape, a dedicated non-governmental organisation. What is DEFRA doing with ministerial colleagues to ensure that such civil society organisations, which are vital to that work, are supported by Department for International Development funding and backed up by ambassadors in making it clear that our endangered species must be protected?

Richard Benyon: I applaud my hon. Friend for her commitment to this matter. I will certainly work with colleagues in Departments such as DFID to ensure that we co-ordinate the great deal of work that we are doing to sponsor schemes that crack down on poaching, such as the one that I described earlier. We have to understand that the real problem is the end user. We can have our house in order here, and our wildlife crime unit does wonderful work supporting endeavours such as those that she mentions, but ultimately we have to deal with those who believe that the products in question are useful in medicine, and those who use ivory in ornaments. That is where the problem really comes from.

Roger Williams (Brecon and Radnorshire) (LD): The Minister will be aware that if we are to enforce the convention in Britain, we need to ensure that we have at our airports and seaports the customs officers who are needed to do the work. Can he assure us that there will be no diminution in the effort put in to ensure that endangered species and other animal products are not introduced to this country?

Richard Benyon: I can assure the hon. Gentleman that I am working very closely with Home Office colleagues on their consultation on the new border regime. I have visited the animal reception centre at Heathrow and seen the expertise there, and we want to keep that skill base active across the country.

Topical Questions

T1. [37820] **Mr Christopher Chope** (Christchurch) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): My Department takes responsibility for safeguarding the environment, supporting farmers and strengthening the green economy. In that context, I am sure that Members of all parties will join me in welcoming the publication of Foresight's latest report, "Global Food and Farming Futures". That excellent body of work, co-funded by my Department, is a searching and rigorous assessment of the global food challenges between now and 2050, and I urge all Members to read it.

Mr Chope: Why can my right hon. Friend not give an unequivocal guarantee that in any sale of Forestry Commission land, existing public rights of access will be maintained exactly as they are at the moment, whether on or foot, by bicycle or on horseback? The failure of her colleague in the other place to give an unequivocal answer to that question yesterday has increased, not allayed, public suspicion on that subject.

Mrs Spelman: The Minister of State, my right hon. Friend the Member for South East Cambridgeshire (Mr Paice), gave precisely that undertaking in the debate last night, and I believe that he has reiterated it today.

Mary Creagh (Wakefield) (Lab): The Campaign for Better Transport today launched a "Save Our Buses" campaign. Its research shows that Cambridgeshire county council is proposing to phase out all council bus services, and that Northamptonshire county council plans to cancel all existing rural services. Can the Minister tell the House what advice he has given the Department for Transport, or what advice has been sought, about the impact of those bus cuts on rural communities and economies?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I can assure the hon. Lady that I am working closely with ministerial colleagues in the Department for Transport to ensure that a variety of solutions are found in respect of rural bus services. One problem is that such services are extremely expensive, and the vast majority of the buses go around the countryside transporting nothing but air. We need more customer-responsive local solutions. The Government can assist those in a variety of ways.

T2. [37821] **Andrew Bridgen** (North West Leicestershire) (Con): Does the Secretary of State agree that the new National forest, which covers much of my constituency, is a model of what can be achieved by the private sector and the third sector in delivering excellent access to, and enjoyment of, the amenities of our woodlands?

Mrs Spelman: I certainly do. I met representatives of the National Forest Company this week. It is a wonderful model of what can be achieved. It involves schools and volunteers and has achieved a lot of regeneration on former industrial sites.

T3. [37822] **Barry Gardiner** (Brent North) (Lab): Does the Minister agree with the Country Landowners Association that pillar one of the common agricultural policy should increasingly deliver public and environmental goods, or does he agree with the National Farmers Union, which thinks that that would increase costs for farmers, and therefore opposes the idea?

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Government, as has been published in our reply to the Commission's proposal, believe that pillar two is the better vehicle for the delivery of public goods, which is why we believe that pillar one should gradually be phased out over a long period. We can then concentrate resources on transparent payments to farmers for delivering access, environmental benefits and a range of other public goods, including farming competitiveness.

T4. [37823] **Graham Evans** (Weaver Vale) (Con): My constituency is extremely fortunate to have Delamere forest, the largest woodland in Cheshire. Can the Secretary of State assure me, and my constituents, that this Government will always protect public access rights to Delamere forest?

Mrs Spelman: Yes, absolutely.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): I would be very disappointed, and so would my constituents, if the forests and woodland question was diverted into a question of access. It is a question not of access, but of ownership. Deep in the DNA of English people is that for years and years they have been fed up because they have been told, "You can come, by our grace and favour, and walk on our land, but you can't own it."

Mrs Spelman: It is a question of both ownership and access. As I explained to the House yesterday, when the hon. Gentleman's party was in government, it also looked at both ownership and access.

T5. [37824] **Sir Alan Beith** (Berwick-upon-Tweed) (LD): People in Northumberland will never forget the devastating impact of floods on communities such as Rothbury, Warkworth and Morpeth. Will the Minister therefore assure me that he will take a personal interest in the Morpeth flood relief scheme? It is obviously impossible for all flood relief schemes to proceed at the same time, but the impact on Morpeth, which was visited by leaders from all political parties, was devastating.

Richard Benyon: I am more than aware of the impact of those floods on the people of Morpeth, and of the fantastic community spirit that came out at the time. The community wants to ensure resilience against flooding in future. I assure the right hon. Gentleman that I will meet him, and them, at any time to ensure that we can carry that forward.

Ian Lavery (Wansbeck) (Lab): Morpeth is actually in my constituency. The townsfolk are absolutely livid—and devastated—that the Morpeth alleviation scheme is being deferred. Will the Minister agree to meet me as a matter of urgency to discuss the Morpeth project?

Richard Benyon: I am very happy to meet the hon. Gentleman and members of the lead local flood authority to discuss that with him, if he can arrange a time with my office.

T6. [37825] **Andrew Bingham** (High Peak) (Con): I am sure that, like me and many other hon. Members, my right hon. Friend the Minister has received many representations on the future of public forests. I have more than 3,000 acres of Forestry Commission land in my constituency. Public rights of way will be protected by law, but will he give me a cast-iron guarantee that permissive access rights will also be protected, maintained and freely available under any future management agreements?

Mr Paice: I am glad that my hon. Friend has asked that question, because it allows me to emphasise that there is a difference between dedicated rights and permissive access. Dedicated rights apply to more than 90% of the forest estate that we own. They cannot be taken away or removed; they are there in perpetuity. However, a lot of people confuse those rights with permissive rights. The only places in the forest estate where there are such rights are land that we do not own, but have by leasehold—mainly on 999-year leases. We cannot dedicate such land because the original leases prevent us from doing so, but all Forestry Commission-owned land has dedicated access, which is permanent.

Mr Dennis Skinner (Bolsover) (Lab): We hear today that farmers and many others are not able to get hold of grants from the banks to further their causes. In the light of that, will the Secretary of State tell the banks that under no circumstances will they be able to buy forests?

Mrs Spelman: We have made it perfectly clear that the Forestry Commission has a duty and a responsibility, with any of the planned sales of the public forest estate, to satisfy itself that those who wish to buy are qualified to do so and have the necessary expertise to safeguard

the high standards of protection of the environment and its biodiversity, public access and other public benefits.

T7. [37826] **Angie Bray** (Ealing Central and Acton) (Con): In my constituency we are delighted that our work against dangerous dogs and their owners has been recognised by DEFRA, and that the borough of Ealing has been selected to pilot the dog ASBOs—or "dogbos". Can the Minister give us further details on how those are intended to work?

Mr Paice: I admire my hon. Friend's doggedness in pursuing this subject, and she is right to do so. I congratulate Ealing on applying to take part in the pilot scheme and we welcome its interest, but no final decisions have been taken.

Mark Durkan (Foyle) (SDLP): The Secretary of State earlier used warm tones in promising future positive engagement with the devolved Administrations on the future of the CAP. Will that engagement be on the basis of DEFRA continuing to ignore the deeply held views of the devolved Administrations on the future of pillar one?

Mrs Spelman: We have been proactive in our engagement with all the devolved Administrations, and recognise the importance of direct payments to farmers. It is that assurance that the devolved Administrations are seeking, and I confirm that Ministers understand the challenges of farming in less favoured areas and will defend those interests.

T8. [37827] **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): Can the Minister offer any help and support to the monks of Caldey island off the south Pembrokeshire coast in their attempts to introduce the red squirrel to their island?

Richard Benyon: I applaud the monks, and their Member of Parliament, for their support for this scheme. Like me, they have seen what has happened in Anglesey and the eradication of the grey squirrel there, which has almost been achieved. That will bring benefits for the regeneration of the red squirrel, and we are looking at it closely in connection with our project in the north of England.

Jessica Morden (Newport East) (Lab): Last week I had more representations from constituents who are saddled with the problem of unadopted drains and sewers. Can the Minister give me an update on what progress has been made since the consultation finished at the end of last year?

Richard Benyon: We will make an announcement very shortly. I understand the fears and concerns of the hon. Lady's constituents, and we are determined to take forward that very important part of the Flood and Water Management Act 2010. I will be in touch with her shortly.

T9. [37828] **Paul Uppal** (Wolverhampton South West) (Con): Recently in Wolverhampton we had a serious incident involving a dangerous dog. Does the Minister agree that police officers need adequate training to deal with dangerous dogs and the skills necessary to handle such situations?

Mr Paice: I have huge sympathy with those affected by what happened in Wolverhampton, which was a huge tragedy. A well-meaning family took in a stray dog, which then turned on their child; it could not have been a worse situation. Wolverhampton city council has rightly advised that if people find stray dogs, they should tell the council rather than taking them in. My hon. Friend is right to refer to police training. Some forces have put a great deal of resources into training their officers to deal properly with such incidents, and the rest should follow that example.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Yesterday in Victoria Tower gardens there was a photo opportunity for MPs, organised by Animal Defenders International, with an inflatable elephant. It was as surreal as it sounds. The event was to highlight the fact that DEFRA has yet to arrive at conclusions on the public consultation on the banning of wild animals in circuses. Can the Minister of State tell us when we may expect that announcement?

Mr Paice: I can tell the hon. Gentleman that the decision is imminent. This is very important. We are well aware of the work that he started on this subject, and will make an announcement shortly.

Rory Stewart (Penrith and The Border) (Con): Will the Minister please give us more detail on exactly what will happen with IT management and mapping to speed up payments, particularly for small farmers?

Mr Paice: The Rural Payments Agency has been very involved over the past six or nine months with the providers of our IT system in introducing what they apparently term a number of "fixes" to the system to try to overcome many of the problems, and they are now working through, and enabling us to get through, some of the backlog. I suspect that we will shortly be making a decision on making manual payments, to ensure that more farmers, especially small farmers, receive their money.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Kielder forest, which will provide the bulk of the income under the Government's plans to sell off our national heritage, is home to 31 sites of special scientific interest, as well as red squirrels and ospreys, yet the Government consultation classifies it simply as "commercial". What guarantees can the Secretary of State give us that the public interest and conservation interests will be met in perpetuity, given that the forest is classified as commercial?

Mrs Spelman: We need to be perfectly clear that Kielder forest is predominantly commercial, but that it retains within it sites of special scientific interest and other recreational amenities that will be protected by the conditions set in the leases—in addition to the legislation that protects such things—if that is the outcome that arises from the proposals under consultation.

George Freeman (Mid Norfolk) (Con): Following the very important recommendations laid out in last week's Foresight report on the role of agricultural research in

tackling climate change and promoting food security, what representations can the Secretary of State make to our European colleagues to ensure that we have a regime in Europe that encourages agricultural innovation?

Mrs Spelman: We regularly raise these issues with a number of European Commissioners, not just with the Directorate-General for Agriculture and Rural Development. I have often commended the work of the report to European Agricultural Commissioners for the warning that it gives to the food, farming and research community of the twin challenges of environmental change and food security that mean that we have to use all our endeavours to build the capacity in European agriculture to produce more food sustainably for a hungry world.

Angela Smith (Penistone and Stocksbridge) (Lab): The consultation on the dangerous dogs legislation posed the possibility of extending the law relating to public land to private property, as supported by postal workers unions. Will the Government make that commitment when they announce the outcome to the consultation to protect workers such as doctors, midwives and postmen and women?

Mr Paice: The hon. Lady is right that the consultation posed that question. We believe that existing legislation might be slightly inadequate, but does cover what we might call the curtilage of property—the footpath to the door, or whatever—as well as open public space. However, there was very little support in the result of the consultation for extending the legislation inside the door and into people's private property—which, as I intimated earlier, is, sadly, where a lot of the attacks happen.

Business of the House

11.33 am

Hilary Benn (Leeds Central) (Lab): Will the Leader of the House tell us the forthcoming business?

The Leader of the House of Commons (Sir George Young): The business for the week commencing 7 February will be:

MONDAY 7 FEBRUARY—Opposition day (un-allotted day) [half-day] [first part]. There will be a half-day debate on Government policy on the cost of fuel. This debate will arise on a Scottish National party and Plaid Cymru motion, followed by motions relating to the 10th report from the Standards and Privileges Committee on the registration of income from employment and the eighth report of session 2008-09 from the Standards and Privileges Committee on all-party groups.

TUESDAY 8 FEBRUARY—Second Reading of the Education Bill.

WEDNESDAY 9 FEBRUARY—Motions relating to the police grant and local government finance reports.

THURSDAY 10 FEBRUARY—Motion relating to voting by prisoners. The subject for this debate was nominated by the Backbench Business Committee.

FRIDAY 11 FEBRUARY—Private Members' Bills.

The provisional business for the week commencing 14 February will include:

MONDAY 14 FEBRUARY—Second Reading of the Budget Responsibility and National Audit Bill [*Lords*].

I should also like to inform the House that the business in Westminster Hall for Thursday 17 February will be a debate on a Transport Committee report: Priorities for investment in the railways.

Hilary Benn: I am grateful to the Leader of the House for that reply. On his submission to the Independent Parliamentary Standards Authority review, which has been published this morning in a written statement, may I welcome what it says about the need for fundamental reform? That view is forcefully shared right across the House, and we all hope that IPSA will listen.

On counter-terrorism, the shadow Home Secretary has offered cross-party talks to draft emergency legislation, but it is still not in the Library. The Government said in their review last week that using a statutory instrument would be very difficult in the event of a major incident. May we have an update?

Last night, we saw just how unpopular the plan is to sell off our woodlands and forests, with several Members on the Government Benches voting against the Government. Lib Dems will have noticed that they do not have a single Minister in the Department for Environment, Food and Rural Affairs. I pity them, having to reply to all those e-mails to explain why they voted for a policy that they must, in their hearts, loathe. At least their president, the hon. Member for Westmorland and Lonsdale (Tim Farron), had the courage to speak out and vote with us on that. May we have a detailed statement from the Environment Secretary on the extraordinary claim she made this week, which was repeated by the Prime Minister yesterday, that the reason for the sale is an apparent conflict of interest between the Forestry Commission's roles as a regulator and as a seller of timber? As a former Environment Secretary, may I tell the Leader of the House that, in my three years in the job, not a single person raised this matter with me? The House is entitled to know what the Secretary of State has discovered in just nine months that none of her predecessors worried about in the 90 years since the Forestry Commission was founded. This is a bad policy looking for an excuse.

I must hand it to the Government, however, and give them credit where it is due. Given that the proposal might not even save any money, it takes a special kind of genius to unite just about everyone else against it. The truth is that people do not agree with it and they do not want it; even No. 10 is now briefing that it does not think it has been very well presented. So not for the first time I say to the right hon. Gentleman that the Government are going to have to change their mind.

Talking of which, there has been much comment this week about the Prime Minister having to come to the rescue of the Health and Social Care Bill because it, too, has been poorly presented. Will the Prime Minister come to the House to explain whether he blames himself for that, given the revelation this week that he is having trouble persuading his own brother-in-law, an NHS cardiologist, that the upheaval is a good idea? His brother-in-law is apparently worried that hospitals will be disadvantaged. If the Prime Minister cannot even reassure his own family about the proposals—and the Health Secretary certainly cannot persuade the House—is it any wonder that the public are not buying them? Will the Leader of the House ensure that we have enough time in Committee properly to consider the Bill, because, to judge from the Second Reading debate, there are still far more questions than there are answers?

May we have a debate on one of the greatest achievements of the previous Labour Government: Sure Start? *[Interruption.]* It is interesting to hear Conservative Members jeering Sure Start. Before the election, the Prime Minister went up and down the country—we have certainly heard that one before—saying that he was strongly committed to it. He promised that he would back it. He even had the nerve to criticise my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown) for trying to frighten people about this; and his right-hand man, who is now the Education Secretary, said:

"On Sure Start, we won't cut funding".

It could not have been clearer. Except that we now learn that the budget is going to be cut. A survey by the Daycare Trust and 4Children shows that 250 Sure Start centres are expected to close in the next 12 months, and six of them are going to be chopped by the Tories' own flagship borough, Hammersmith and Fulham. It is no wonder that parents are worried sick. Another week, another betrayal. Will the right hon. Gentleman explain why anyone should now trust any promise made by the Prime Minister before 6 May?

Finally, I have not only been reading the Leader of the House's submission to IPSA; I have also been reading his blog. Musing on hard times, he wrote:

"I predict that The Times list of the most popular girls' names in the year may include a new one—Austerity."

May I predict in return that, when it comes to boys' names this year, Dave, George and Nick are not going to be very popular? If the right hon. Gentleman is

looking for alternatives, may I suggest Complacency, Incompetency and, as for the Deputy Prime Minister, that is a really easy one: Duplicity? What is in a name? A lot!

Mr Speaker: I think I will take the last observation as a joke, but in any other context the use of the word "duplicity" would not be appropriate. I am sure, however, that good humour is what was intended by the shadow Leader of the House.

Hilary Benn: Indeed it was, Mr Speaker.

Sir George Young: I am sorry that the right hon. Gentleman's punchline did not work.

I welcome what the right hon. Gentleman said about IPSA. I am absolutely clear in my own mind that we must adhere to the principle of the independent setting of our allowances; we cannot go back to the bad old days. I am equally clear that we must stick with the principle of transparency. On the other hand, IPSA must recognise that the allowances are meant to support us in the job we were sent here to do: fighting for our constituents, holding the Government to account, and scrutinising legislation. In many respects, the current administration and structure of allowances get in the way of our doing that job. I therefore very much hope that IPSA is able to respond to the representations I have made, and to those which I hope other colleagues will also make, and that it will come up with a revised system that enables us to get on with the job we were sent here to do.

On control orders, I welcome the opportunity of cross-party talks, and I will certainly pursue with the Home Secretary the issue the right hon. Gentleman raised.

We had an extensive debate on forests yesterday, and a lot of the exchanges today were also focused on the forests, so I cannot promise time for an extra debate. I welcome yesterday's debate however, in which my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs dismissed many of the myths surrounding our proposals, explained that this was an opportunity to improve the levels of public benefit from our woodlands, and drew attention to the fact that the previous Government sold off 25,000 acres of woodland with a bare minimum of protection. There will be no further debate on that subject for the time being therefore, but we are, of course, consulting and listening, as both the Prime Minister and my right hon. Friend the Secretary of State said yesterday.

On the health reforms, we are simply carrying out the policy of the previous Prime Minister, the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown). This is what he said to the Liaison Committee a few years ago:

> "We have been asking in people from the private sector to review what we can do to give them a better chance to compete for contracts...so the independent sector increases its role, will continue to increase its role and, in a wider and broader range of areas, will have a bigger role in the years to come."

He went on to say:

> "The test at the end of the day is not private versus public, it is value for money, and it is not dogmatic to support one against the other."

I therefore hope the Opposition will support what we are doing: driving forward the agenda set out by the right hon. Member for Kirkcaldy and Cowdenbeath.

On Sure Start, there are sufficient resources in the programme to maintain the existing structure of Sure Start children's centres, so I reject the accusation that was made.

The right hon. Member for Leeds Central (Hilary Benn) asked for more time for the Health and Social Care Bill. The Opposition did not vote against the programme motion setting out the time available for the Bill, so it is astonishing that he should raise that subject now.

On the right hon. Gentleman's final point, perhaps Prudence would have been a more appropriate name.

Several hon. Members *rose—*

Mr Speaker: Order. A great many hon. and right hon. Members are seeking to catch my eye, but there is a ministerial statement to follow and then two heavily subscribed debates under the auspices of the Backbench Business Committee, time for which it is my responsibility to protect. There is therefore a premium today on single, short supplementary questions and the Leader of the House's characteristically pithy replies. Even allowing for that, I am afraid that many Members will be disappointed today.

Mr David Nuttall (Bury North) (Con): May we please have a statement on the future of the maternity department at Fairfield hospital in Bury, following yesterday's decision by NHS officials to confirm the closure decision that was made by the last Government?

Sir George Young: I understand my hon. Friend's concern about the decision taken on 2 February by the NHS North West board on the reconfiguration of maternity services in the north-west, which followed a period of consultation. I will, of course, draw his concern to the attention of my right hon. Friend the Secretary of State for Health.

Natascha Engel (North East Derbyshire) (Lab): The Leader of the House will be aware of today's very important Westminster Hall debate on parliamentary reform, led by the hon. Member for Brighton, Pavilion (Caroline Lucas). Will he join me in encouraging as many newly elected Members in particular to take part in the debate to offer their ideas for making this place work better, and will he show his ongoing support for parliamentary reform by attending in person?

Also, the Government have set a grown-up precedent in allowing a free vote on next week's Backbench Business Committee motion on prisoner voting rights. Will the Leader of the House now ensure that votes on all Backbench Business Committee motions will be unwhipped, to ensure that any outcome this House comes to can truly be said to represent the will of the House?

Sir George Young: I am grateful to the hon. Lady for her question. I do hope to attend the debate on parliamentary reform later today in Westminster Hall, a debate to which my hon. Friend the Deputy Leader of the House will be replying. He shares my commitment to and appetite for more parliamentary reform.

[Sir George Young]

On the hon. Lady's second point, I welcome the opportunity that this Government have given the Backbench Business Committee not just to propose subjects but to table motions. If a motion is tabled that causes difficulties for the Government, the Government may have to take a view, as we did with the debate on contaminated blood, so, with my right hon. Friend the Chief Whip sitting a few feet away from me, it would be rash to make any commitment about unwhipped votes.

Kris Hopkins (Keighley) (Con): May I ask the Leader of the House for a debate on representation on local enterprise partnerships? My constituency has no representation on the Leeds city region LEP, so we are having to rely on a Bradford-based, Bradford-centric, soon-to-be-imposed shadow mayor.

Sir George Young: I understand my hon. Friend's concern. I would be more than happy to raise the structure of the LEP in his constituency with my right hon. Friend the Business Secretary, to see whether we can get a broader base of representation.

Mr Ben Bradshaw (Exeter) (Lab): May we have an urgent debate on the devastating impact of the Government's policies on bus services, in the light of today's report showing that Devon would be among the worst affected parts of the country, losing services in Exeter and the rural areas, thereby reversing the great progress made under the Labour Government on improving bus services?

Sir George Young: The right hon. Gentleman may have an opportunity to raise that subject in Wednesday's debate on the revenue support grant for local government. Some 80% of bus services outside London are commercially run, and so do not depend on direct funding from councils. There has been no cut in the financial support that we provide for those services, and we have protected the statutory concessionary travel schemes.

Mr Stewart Jackson (Peterborough) (Con): May we have a debate on record-keeping at the UK Border Agency? Hon. Members will be aware that we recently debated the successor to control orders, but we are also routinely told that it is not possible to provide information on how many individuals are using articles 3 and 8 of the European convention on human rights to avoid deportation when they should be removed from this country. Will the Leader of the House have a word with our colleagues in the Home Office to investigate this unsatisfactory situation?

Sir George Young: I understand my hon. Friend's concern. I wonder whether he would be able to get the information about the numbers that he quite rightly seeks by tabling parliamentary questions, but in any event I shall raise the matter with the Home Secretary.

Bill Esterson (Sefton Central) (Lab): In yesterday's Westminster Hall debate, which I secured, on the future of children's centres, it became increasingly clear that many local authorities are unable to afford to maintain the current network of Sure Start children's centres. Given that concern and the recent reports from my right hon. Friend the Member for Birkenhead (Mr Field) and my hon. Friend the Member for Nottingham North (Mr Allen) on early intervention, will the Leader of the House think again about providing Government time for a debate on this issue which is incredibly important for the future not just of our children, but of the country?

Sir George Young: The Government are committed to the policy to which the hon. Gentleman has just referred. There will be an opportunity to pursue the matter further on Monday, when Education Ministers will be before the House, and I will tell my right hon. Friend the Secretary of State for Education that the hon. Gentleman may be in his place to do just that.

Greg Mulholland (Leeds North West) (LD): On the subject of names, I wonder how many boys born this year would welcome their parents calling them Hilary.

May we have a debate in Government time on the worrying practice that the new Labour Government did nothing about, namely the finger-printing of our children in schools without parental permission? I am delighted that the Government have made plans to deal with that practice, but may we have a debate in Government time to talk about whether it should happen at all?

Sir George Young: I understand my hon. Friend's concern. I will raise the matter with the Home Secretary or the Secretary of State for Education, whichever is the most appropriate, to clarify exactly what the coalition Government's response is to the procedure to which he has referred.

Ian Murray (Edinburgh South) (Lab): Recent events in Egypt have demonstrated the importance of the BBC World Service and its interpretation of events. The cuts in the service that were announced recently mean that Voice of America will be the only real international broadcaster left. Will the Leader of the House allocate time for a serious debate on the future of the BBC World Service and how it can return to being the world's international broadcaster?

Sir George Young: I am not sure that the assertion that the Americans have a monopoly on the broadcasting of what is going on Egypt is correct.

The Foreign Secretary made an extensive statement on the World Service last week, which was followed by a series of questions and answers. I cannot promise a debate on the subject, but the next session of Foreign Office questions will provide another opportunity for it to be raised.

Mr Peter Bone (Wellingborough) (Con): Following the right hon. Gentleman's exchange with the Chairwoman of the Backbench Business Committee, the hon. Member for North East Derbyshire (Natascha Engel), may I point out that I have voted for the Government more times than the Prime Minister, the Deputy Prime Minister and the Chancellor of the Exchequer added together?

If the Government must whip, would it not be useful for the details to be on the Order Paper so that we know which votes are whipped and which are not?

Sir George Young: Let me put my hon. Friend's observation into context by saying that I suspect he has also voted against the Government more often than the Prime Minister and the Deputy Prime Minister.

I am sure that my hon. Friend receives the same communication that I receive, indicating just how keen the Chief Whip might be on his attendance in relation to particular issues. I am not sure that it would be sensible to put the information on the Order Paper.

Nic Dakin (Scunthorpe) (Lab): Replying to a question from my right hon. Friend the Member for Cynon Valley (Ann Clwyd), the Prime Minister said that the previous Government had planned to phase out Remploy workers. That does not appear to be accurate. Will the Leader of the House ensure that the record is corrected?

Sir George Young: I understand that a programme has been introduced by Remploy. It is now in the third year of a five-year modernisation plan agreed with the last Government, which involved the merging or closing of 29 factories and the setting of challenging targets for a huge increase in the number of disabled people helped into work. We are totally committed to supporting disabled people in employment. We confirmed as part of the spending review that the five-year £555 million operational budget and status of Remploy would remain unchanged—and we did that at a time of financial constraint.

David Tredinnick (Bosworth) (Con): Can my right hon. Friend tell the House why the windows of some Government buildings in Parliament square are still boarded up following the students' demonstration? The Ministry of Justice managed to fix the windows of the Supreme Court next day, but it seems that the Treasury cannot do the same for Her Majesty's Revenue and Customs.

Sir George Young: I am sure that funds are available for that purpose somewhere in the Treasury.

The 41 damaged window panels were removed from the site on 22 January. Replacement work will begin on 12 February and will be completed by the end of the month. Orders were placed by the contractor following clarification and agreement on costs with the loss adjuster.

Geraint Davies (Swansea West) (Lab/Co-op): According to the police, Wind street in Swansea has the second highest level of recorded crime in Britain. May I ask the Leader of the House whether he is free on Saturday night to take a stroll down Wind street with me and to witness at first hand the outstanding work of the police in apprehending criminals? They made 48 arrests in December. Observing their work would help to inform the right hon. Gentleman in advance of the forthcoming debate on the police grant, as it demonstrates that cutting police numbers will endanger the safety of the public.

Sir George Young: The former Home Secretary, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), made it clear that had his party been re-elected, there could have been no guarantee that police numbers would not fall.

I thank the hon. Gentleman for his generous invitation, but I am otherwise engaged on Saturday night.

Jessica Lee (Erewash) (Con): Will my right hon. Friend consider allocating time for a debate on the role of the voluntary sector? My constituency contains the excellent Erewash council for voluntary service and other voluntary organisations, and a Derbyshire voluntary, community and independent sector volunteering passport scheme has been introduced. Such a debate would provide an excellent opportunity to discuss successful schemes throughout the United Kingdom and the sharing of best practice.

Sir George Young: I agree with my hon. Friend. I was pleased to hear about the excellent work being done in her constituency, which is an example of the big society in action. I encourage her either to apply for a debate in Westminster Hall or, with other Members, to approach the Backbench Business Committee to establish whether time can be found for a debate on this important and serious issue.

Alison McGovern (Wirral South) (Lab): Will the Leader of the House find time for a debate on the Prime Minister's pet project, the so-called big society? Phil Redmond, the chair of National Museums Liverpool and a television producer who has been lauded by the Prime Minister, said today that he

"went along with it all because I thought it would be a good way of getting things going, but it's been impossible to get any traction because of the cuts".

Is it not about time that we debated the big society on the Floor of the House?

Sir George Young: As I indicated in my response to my hon. Friend the Member for Erewash (Jessica Lee), I should welcome a debate on the big society on the Floor of the House. I am aware of the pressures on many voluntary organisations. That is why we set up a £100 million fund to help smaller charities through this difficult time, and to enable them to continue and develop their sound work.

Neil Carmichael (Stroud) (Con): Given the importance of the Health and Social Care Bill, may we have an opportunity to discuss public health, which performs an important function in helping our health services?

Sir George Young: The Health and Social Care Bill contains a fairly large section on public health, because it transfers responsibility for that sector from primary care trusts to local authorities. There should be opportunities for discussion of important health issues in Committee, and my hon. Friend will certainly be able to discuss them on Report.

Kevin Brennan (Cardiff West) (Lab): The Leader of the House has expressed his enthusiasm for further parliamentary reform, and he will be attending this afternoon's debate on the subject in Westminster Hall. Will he bear in mind the fact that the change in our sitting hours which was introduced in 2002 proved pretty disastrous and pretty un-family friendly for those who wanted to take their children on the school run in London? The question is not as simple as some make it out to be.

Sir George Young: The hon. Gentleman is right: the question of the sitting hours is not a simple one. As he may know, the Procedure Committee is about to conduct an inquiry, and I am sure that it would be pleased to hear his representations. I understand that it proposes to present the House with some options at the end of its report so that Members can decide if and how they want to change the sitting hours.

Mr Lee Scott (Ilford North) (Con): Will my right hon. Friend allow a debate on the establishment of academies aimed specifically at children suffering from autism and Asperger's syndrome?

Sir George Young: That is an important subject which the House ought to debate. My hon. Friend could apply for an Adjournment debate or a debate in Westminster Hall, or he could approach the Chair of the Backbench Business Committee. The House might then be able to give the issue the time that it deserves.

Mr Tom Watson (West Bromwich East) (Lab): This is an old vintage, Mr Speaker. The Information Commissioner has forced the Foreign Office to give me the stock list of the ministerial wine cellar. A debate on the future of the wine cellar might identify some Government savings. There is a Château Latour 1962 in there, valued at £3,600. Can the Leader of the House tell me which Minister deserves to drink it?

Sir George Young: I have made some inquiries. The House will be pleased to hear that consumption of wine has fallen by 30% since the coalition Government took over.

Robert Halfon (Harlow) (Con): Will the Leader of the House find time for an urgent statement on iEngage, the secretariat of the newly formed all-party parliamentary group on Islamophobia? iEngage has a track record of being aggressively anti-Semitic and homophobic, and has extensive links with terrorism in Tunisia and the middle east. In its capacity as the secretariat, it now has access to the parliamentary estate. Will the Leader of the House raise the issue with the Serjeant at Arms as soon as possible?

Sir George Young: The Serjeant at Arms will have heard what my hon. Friend has said. As he knows, I announced a few moments ago that there would be debate on all-party parliamentary groups on Monday evening, and it will provide an appropriate forum for him to develop his case.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): British Midland International recently announced the withdrawal of its service between Glasgow and Heathrow. That will result in hundreds of job losses, and will also have an impact on the local economy and the travelling public. May we have a debate on the future of domestic airlines? It appears that the major British companies are opting for the more profitable transatlantic flights and abandoning the domestic routes.

Sir George Young: I understand the hon. Gentleman's concern, which I am sure is shared by his constituents. I cannot promise a debate, but I will raise the matter with the Secretary of State for Transport and ask him to write to the hon. Gentleman.

Nadhim Zahawi (Stratford-on-Avon) (Con): Will the Leader of the House ask my right hon. Friend the Chancellor to make a statement on the Office for Budgetary Responsibility and the OECD's assessment of the structural deficit at the last election, so that the deficit denial of the shadow Chancellor, the right hon. Member for Morley and Outwood (Ed Balls), can be exposed for what it is?

Sir George Young: It is indeed the case that debt now stands at more than £1 trillion, its highest ever level. The deficit is the largest in the G20 and in our peacetime history, and we have experienced the deepest and longest recession in the G20. The coalition Government would welcome a debate on the economy, and the opportunity to draw attention to our disastrous inheritance from the last Government.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): May we have a statement on the future of the 1,500 people employed by Her Majesty's Revenue and Customs at Queens dock in Liverpool? I understand that a decision has been reached to close the building in which they work, contrary to the information I was given in a written answer only two weeks ago.

Sir George Young: Treasury questions will take place on Tuesday, but I say to the hon. Lady that, along with other colleagues, a lot of us lost our local HMRC offices in the previous Parliament under a programme of closures that her party introduced. However, I will of course raise the specific issue with Treasury Ministers.

Charlie Elphicke (Dover) (Con): In the spirit of sober government, may we have a debate on the UK's competitiveness, because although the manufacturing figures are to be celebrated and praised, Pfizer's decision to pull out of east Kent highlights the legacy of years of business being overtaxed, overregulated and discouraged?

Sir George Young: I am grateful to my hon. Friend for highlighting the encouraging manufacturing figures published earlier this week. The Opposition have been oddly silent on yesterday's construction figures, which showed the country returning to growth after the Labour party's recession. We have not heard a peep from the shadow Chancellor on this morning's good news that the UK's service sector hit an eight-month high in the same month.

Mr Dave Watts (St Helens North) (Lab): May we have a debate on issues that Liberal Democrats vote for in this House and then oppose in their constituencies? I suggest that we have a fortnight's debate to make sure that we can get all the issues in.

Sir George Young: The hon. Gentleman is treading on dangerous territory, because I recall a campaign on post offices in the previous Parliament when a large number of Labour Members said that they would oppose post office closures, but then voted against the motion that we put before the House.

Julian Sturdy (York Outer) (Con): I have recently received a number of representations from constituents about empty property rates. Will the Leader of the House consider having an urgent debate on the matter?

Sir George Young: There may be an opportunity for my hon. Friend to raise that issue on Wednesday when the House debates local government finance. I understand the concern of those who are leaving their property empty not because they want to but because they cannot find any tenants. I will raise that matter with my right hon. Friend the Secretary of State for Communities and Local Government.

Mr Gerry Sutcliffe (Bradford South) (Lab): Can the Leader of the House tell us whether the draft counter-terrorism Bill is ready? If it is not ready, why have a succession of Ministers, including the Home Secretary, told us that it will be in the Library very soon?

Sir George Young: No date was given when the relevant Minister made the statement to the House, which I believe was a fortnight ago. The shadow Leader of the House told us that cross-party talks might take place on this issue so, given that background, it might be sensible not to publish a Bill straight away.

Kwasi Kwarteng (Spelthorne) (Con): Given that the number of managers in the national health service increased five times faster than the number of nurses, does my right hon. Friend think it would be a good idea to have a debate on best management practice in government?

Sir George Young: My hon. Friend rightly makes a point that was also made in last week's debate on the Health and Social Care Bill. I hope that it will be re-emphasised in Committee. It is indeed our policy to reduce the overheads of running the NHS and put the resources saved into front-line care.

Mr Andrew Love (Edmonton) (Lab/Co-op): May we have a debate in Government time on the tax gap and the contribution that reducing that gap could make to tackling the deficit? Estimates of the gap vary from £20 billion to £100 billion, and we need to clarify the situation. I note that the Government have invested an additional £900 million to gain £7 billion in additional tax. Given that tax offices have closed, would it not be sensible to have a debate so that we can clarify whether we should be investing in this system, rather than reducing it?

Sir George Young: As the hon. Gentleman said himself, we are investing in the system. We have put an extra £900 million into tax collection, precisely to reduce the gap. He will have an opportunity on Tuesday to cross-question the Chancellor on this matter.

Mr Ben Wallace (Wyre and Preston North) (Con): I read with interest the Leader of the House's submission to the Independent Parliamentary Standards Authority today, including his specific point about family-friendly hours. May I recommend, or ask him to consider, a change that would neither cost the taxpayer any money, nor have anything to do with IPSA, which is to bring forward the time of Thursday sitting from 10.30 am to 9 am, so that colleagues in this House who do not live in the home counties can get home to their families in the north and west of England, Wales, Scotland and Shropshire before midnight?

Sir George Young: I understand the point that my hon. Friend makes. There are consequences for the House and for Committees if we move the sitting time forward to 9 o'clock. I say to him what I said to the hon. Member for Cardiff West (Kevin Brennan), which is that the Procedure Committee will hold an inquiry into sitting hours. It awaits, with mounting anticipation, the representations from my hon. Friend.

David Cairns (Inverclyde) (Lab): Such is the enormous concern among those on both sides of the House about the Government's plans to close many of our coastguard stations that yesterday's Westminster Hall debate was completely oversubscribed and many hon. Members did not get the opportunity to speak. Given that, can the Leader of the House schedule a longer debate on these plans, which are greatly concerning many of our seaside communities. The plans were described to me by a shipping expert in the following terms:

"I honestly believe this is complete madness and will result in disaster".

Sir George Young: I understand the hon. Gentleman's concern, which I know is shared. I cannot promise a debate in Government time, but perhaps he and other Members who are affected by the proposals could go to the salon of the Chair of the Backbench Business Committee to put in a bid for a debate, either in the House or in Westminster Hall.

Andrew Stephenson (Pendle) (Con): The special constabulary is an important part of the policing family, and specials make a significant contribution to the fight against crime and antisocial behaviour in Pendle. National specials weekend takes place on 12 and 13 February, so may we have an urgent debate on the important role that specials play and how we can recognise the contribution they make?

Sir George Young: I am grateful to my hon. Friend for bringing to the House's attention the fact that national specials weekend is coming up. Specials play a key role in tackling crime and antisocial behaviour, and as part of the policing family. We want to do all we can to support them and see this group of volunteers as a good example of the big society.

Valerie Vaz (Walsall South) (Lab): Many musicians, especially violinists, are having difficulties with and facing inconsistencies from the airlines about carrying their musical instruments on planes. Will the Government make urgent representations to the airlines, which have different policies, to ensure that the expensive instruments do not have to be put in the hold and do not have to be classified as hand luggage?

Sir George Young: This issue certainly arose a few years ago when there was a big change in the level of airport security, but I thought that the matter had been resolved and that violinists were able to take their instruments with them. If that is not the case, I will raise the matter with the Secretary of State for Transport to see whether we can overcome the problem.

Nick de Bois (Enfield North) (Con): Will the Leader of the House find time for a debate on antisocial behaviour and bullying of children by children outside

[Nick de Bois]

the school gate? Evidence on this was provided to me by children at Carterhatch junior school in my constituency, and such a debate would allow us to consider their recommendations for dealing with it.

Sir George Young: My hon. Friend will know that I have announced the date of the Second Reading of the Education Bill, which contains clauses that deal directly with discipline at school, giving teachers and heads greater powers to tackle antisocial behaviour. He may therefore have an opportunity on Tuesday to raise the matter with Ministers.

Albert Owen (Ynys Môn) (Lab): May we have an urgent debate on the future of citizens advice bureaux funding, which has been squeezed by both local and central Government? When I raised the matter with the Treasury, I was told that it was looking to enhance the role of citizens advice bureaux, given rising unemployment and debt. Extra resources will be needed to do that, so may we have a debate on that important point?

Sir George Young: I understand the hon. Gentleman's concern, and this subject was raised last week. Following that, my hon. Friend the Financial Secretary to the Treasury wrote to the hon. Member for Stretford and Urmston (Kate Green) and a copy of the letter was put in the Library. I suggest that the hon. Gentleman has a look at it, because it sets out our proposals to establish a money advice service, delivering the UK's first nationally available free financial advice service.

James Morris (Halesowen and Rowley Regis) (Con): My constituents can enjoy good local tourist attractions such as Halesowen abbey and Dudley zoo. May we have a debate about the importance of promoting areas of the country that are not commonly thought of as being tourist destinations, in order to drive economic growth and job creation?

Sir George Young: The Minister with responsibility for tourism, the Under-Secretary of State for Culture, Olympics, Media and Sport, my hon. Friend the Member for Weston-super-Mare (John Penrose), will develop a tourism strategy. I might suggest to him that he should visit Halesowen abbey and Dudley zoo as part of the strategy of promoting tourism within the country without damaging outbound tourism.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Will the Leader of the House be bringing forward proposals to limit and reduce the number of Ministers in the Government? I am sure that he is aware that in 1856 there were 58 Ministers in the Government, 15 of whom held Cabinet rank. Today, there are 119 Ministers, 23 of whom hold Cabinet rank. If the Government are so keen to go forward with their unilateral reduction in the number of MPs, surely it is only right that the number of Ministers should be reduced pro rata as well.

Sir George Young: I am grateful to the hon. Gentleman. We had an extensive debate on this when the Parliamentary Voting System and Constituencies Bill was going through this House. It is now in another place where there is also extensive debate. If and when we get the Bill back in this House, there might be an opportunity for him to raise the matter, but of course, that would not apply until after the next election and into a new Parliament, whereas the proposals for MPs would apply before the election.

Henry Smith (Crawley) (Con): Gatwick airport is located in my constituency, as are many travel companies. Given the recent crises in tourist destinations such as Tunisia and Egypt, in an uncertain world, will the Foreign and Commonwealth Office consider making a statement on the sort of co-ordinated advice it can give to travel firms about repatriating tourists?

Sir George Young: I think the FCO has a website that is regularly updated, which gives advice to those who are thinking of travelling overseas. It includes FCO advice on the desirability of going to those destinations and the precautions that travellers should take. However, I shall raise with the Foreign Secretary the issue that my hon. Friend has touched on.

Anas Sarwar (Glasgow Central) (Lab): The Department for International Development will publish the conclusions of the multilateral and bilateral aid reviews at the end of February. Given that they could change the way in which we spend billions of pounds around the world, will the Leader of the House please ensure that they will be accompanied by an oral statement to the House?

Sir George Young: I cannot guarantee that they will be accompanied by an oral statement, but I will raise the hon. Gentleman's point with my right hon. Friend the Secretary of State for International Development to make sure that the House is kept informed.

Paul Uppal (Wolverhampton South West) (Con): I welcome the Government's moves to reduce the top rate and the small profits rate of corporation tax. Will the Leader of the House find time for a debate on having a single, flat rate of corporation tax, which would give UK plc a unique competitive advantage in the global economy?

Sir George Young: There are Treasury questions on Tuesday, in which my hon. Friend might be able to cross-question Treasury Ministers, but he is right to draw attention to the coalition Government's proposals to reduce corporation tax to make this the most competitive country in Europe in which to do business.

Thomas Docherty (Dunfermline and West Fife) (Lab): I think the Leader of the House has been made aware of the fact that I wrote to the Chancellor on 1 November about one of my constituents and that I did not receive a reply until 25 January, some 86 days later, without even an apology for the delay. Given that the Government have committed to getting all Members a reply within 20 working days, will he update the House as to why the Treasury has neither courtesy nor punctuality?

Sir George Young: The Government are committed to providing timely replies to hon. Members and I am sorry for the delay. I have seen the letter, which does offer an apology for the delay in responding, and I shall raise the matter again with my colleagues in the Treasury.

Of course, there will be an opportunity for the hon. Gentleman to repeat his point on Tuesday, when Treasury Ministers will be here.

Graham Evans (Weaver Vale) (Con): The village of Sutton Weaver is divided by two separate postcodes, which has caused numerous problems to my constituents. Despite a very strong campaign by Sutton parish council, Royal Mail has refused to unify the village under a single postcode. May we have a debate on applications for postcode changes and enhancing local democracy?

Sir George Young: I understand my hon. Friend's concern. I shall pass his comments on to my right hon. Friend the Business Secretary. My hon. Friend will be familiar with the code of practice that governs changes to Royal Mail's postcode address file, known as PAF. Royal Mail will consider making changes only if they will not materially affect the efficiency of its nationwide network of operations.

Barry Gardiner (Brent North) (Lab): In his earlier remarks about IPSA, the Leader of the House was right to stress the importance of maintaining independence. Will he similarly ensure that MPs will never again be asked to vote on their own pay and that this matter will remain free from political influence?

Sir George Young: I understand the hon. Gentleman's concern. He will have seen my written ministerial statement last month, which I put on the Order Paper, indicating what would happen for this year. Looking further ahead, it is proposed, under the Constitutional Reform and Governance Act 2010, that MPs pay, allowances and pensions will be determined by an independent body.

Julian Smith (Skipton and Ripon) (Con): On the eve of national apprenticeship week, may we have a debate to highlight the Government's excellent policies in this area, which make it much easier to take on board new employees as apprentices than it was under the previous Government?

Sir George Young: My hon. Friend is right—there are 75,000 more apprenticeships and we have protected the science budget. This is, indeed, laying the foundations for future growth.

Chris Bryant (Rhondda) (Lab): The Leader of the House did not make any reference to Bills coming back from the House of Lords in his statement. I presume that is because he knows that Report in the House of Lords can take up to eight or nine days and that Third Reading cannot be on the same day as Report, so there is currently no prospect of the Government getting their Parliamentary Voting System and Constituencies Bill in time for a referendum on the alternative vote on 5 May unless they make consensual concessions. Will he urge his colleagues to do that?

I think it was a slip of the tongue when he said earlier that the cut in the number of MPs would apply during this Parliament. I know the Government have been threatening guillotines in the House of Lords, but culls in the House of Commons might be a step too far.

Sir George Young: The Government are determined to get the Bill through in time to hold the referendum on the proposed date. I very much regret that there have been some very loquacious interventions down the other end which have impeded the progress of the Bill. The point I was making was that in order to have fewer MPs in the next Parliament, we have to pass legislation now, but that we do not have to pass any legislation now to reduce the number of Ministers in the next Parliament.

Andrew Bridgen (North West Leicestershire) (Con): May we have an urgent debate on the provision of literacy and numeracy training for MPs? Successive shadow Chancellors have certainly struggled with the latter and cannot recognise a structural deficit even when they see it.

Sir George Young: I am grateful to my hon. Friend. It is indeed the case that we were running a substantial structural deficit before we hit the financial recession and the problem with the banks. Anyone who denies that there was a structural deficit denies the reality.

Mr Denis MacShane (Rotherham) (Lab): After the Prime Minister's very kind and generous statement to the 1922 committee that all Conservative MPs will either have a seat after the next election or be sent to the House of Lords, may we have an extra debate on the reduction of representation Bill? As a historian, will the Leader of the House say whether there is any example in the history of parliamentary reform that has led to a reduction in representation in this House?

Sir George Young: Well, the right hon. Gentleman's Government reduced the representation of Scottish MPs, so that is a fairly easy one to answer. I have the privilege of attending the 1922 committee—he would be very welcome to cross the Floor and see the light—but I am not aware of such a specific undertaking. If he had any idea of how Conservative associations work, he would know that the notion that anyone could be guaranteed a seat in the next Parliament is very ambitious indeed.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): May we have an urgent statement from the Government on the timing of election counts in Scotland? There have been reports this week of election administrators saying they will not start counting until Friday. They tried that on in the general election and in the last Scottish elections, but it is unacceptable—people in Scotland want to know the shape of their Government as soon as possible. As the Secretary of State for Scotland retains responsibility for elections to the Scottish Parliament, may we have a statement as soon as possible so that he can pull the election administrators into line?

Sir George Young: I understand that the Advocate-General in another place has made a very clear statement on this, but I shall certainly raise the matter again with him and ask him to write to the hon. Gentleman.

Mr Speaker: I thank colleagues for their co-operation, as a result of which all 47 Back Benchers who wished to contribute had the chance to do so.

Proposed Directive (Information Systems)

12.18 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): With permission, Mr Speaker, I would like to make a statement on the proposed European directive on attacks against information systems, which we have decided to opt in to.

Hon. Members will not need me to tell them how much we benefit from the services that are now available online. In 15 years, the number of global web users has jumped from 16 million in 1995 to more than 1.7 billion today. About three quarters of all British households now have an internet connection, and last year nearly two thirds of all adults in Britain bought goods or services online.

We want to build on our cultural and economic success in the online world, but with the growth of the internet has come the growth of a new type of crime and a new risk to our national security. We now face a real, ongoing and persistent threat from other states, terrorists and criminals operating online. They are stealing commercial secrets, they are trying to take sensitive Government information and they are defrauding ordinary people.

Cybercrime, often carried out by organised criminals, is now a major and growing threat to all sectors of our economy, and we should be in no doubt: online attacks can have a significant real-world impact, from people's bank accounts being emptied to industrial plants and critical infrastructure being disrupted. The risks from cyberspace are now so great that the national security strategy placed the threat as one of the top tier of risks to our national security.

Recognising the seriousness of the threat, the Government are already investing heavily in cyber-security. Following the strategic defence and security review, we committed £650 million of new investment over the next four years to transform our protective capabilities in cyberspace. Our response is led by Government, but uses the resources and knowledge of the private sector, including those parts of the private sector that own and operate large elements of our digital infrastructure. The programme explicitly depends on building strong relationships with like-minded countries around the globe, because the problem is an international one and online criminals do not respect international borders.

Here in Britain we have long-standing laws against computer misuse, but we need to be able to take action also against cyber-criminals operating overseas; it is therefore clear that we need to work across national boundaries. That means our law enforcement agencies working with their partners overseas to identify suspects, gather evidence and bring criminals to justice. The European Union directive on attacks against information systems supports those aims. The directive builds on an existing 2005 EU framework decision with which Britain was already compliant. It is also consistent with the Council of Europe convention on cybercrime, which Britain is in the final stages of ratifying. Opting in further demonstrates our commitment to internationally co-ordinated action against online threats.

The directive will ensure that there is a basic set of agreed minimum rules in relation to online crimes and penalties across the EU that member states must build into their legislation. It will also ensure that member states respond quickly to requests from other member states for assistance in cybercrime cases. Those measures will benefit Britain and other countries that have active online economies, because it will mean that cyber-criminals will not be able to hide in European countries that do not have as well-developed laws against cybercrime as we do.

The directive also seeks to address the threat from large-scale attacks on information systems by ensuring that member states have adequate legislation to allow the prosecution and punishment of those organising, committing or supporting large-scale attacks. That is not a hypothetical threat: it is a real, existing problem for the British Government and British business. Finally, the directive sensibly takes into account changes in the threat picture since the framework decision was agreed, such as tackling the creation of malicious software and other innovative tools that criminals have invented to commit offences.

It is for all of these reasons that we have decided to opt in to the directive. It fits with our approach of making Britain a tougher place for online criminals to operate in, and it will mean that the reach of our law enforcement agencies extends outside our borders. By opting in now, we do not accept that the draft directive is perfect. We will work to ensure the final text is in Britain's interests and we will seek to negotiate out any proposals we believe are unnecessary.

I pay tribute to the work done by the European Scrutiny Committees of both Houses. They do much to ensure that European legislation is right for this country. On this specific directive, both Committees agree that there is a case for further EU action in this area.

Cybercrime is a major threat to Britain. The aims of the directive are consistent with the aims of the Government in protecting our country, our economy, our businesses and our citizens from those who seek to misuse the online environment. I commend this statement to the House.

Diana Johnson (Kingston upon Hull North) (Lab): I thank the Minister for providing the Opposition with a copy of the statement in advance of the announcement to the House.

I have listened carefully to what the Minister said about the Government's decision to opt in to the draft directive on attacks against information systems. It is clear that there is a growing threat of large-scale simultaneous attacks against information systems and an increased use by criminals of so-called botnets—networks of computers infected by a virus that can be activated remotely. There is clearly a real terrorist threat, as well. It is right to say that there has to be a robust and consistent approach to this problem, not only across the EU but internationally, and we know that a sensible way forward is to build on the framework decision agreed in 2005.

In a report by the Commission in July 2008, the implementation of the framework decision was found to be relatively good, but a number of new threats had been identified; the draft directive has therefore been produced. The matter was before the European Scrutiny Committee on 3 November 2010, at which time the Government still had not decided whether to opt in to

the draft directive. I, too, pay tribute to the hard work that the Committees in both Houses do on behalf of us all.

I welcome the decision, but I have a number of questions for the Minister. First, why has the decision been made now to opt in to the draft directive? After the European Scrutiny Committee had considered the matter, the Minster wrote to the Chair of that Committee stating that a decision on whether to opt in had to be made by 23 December 2010, and promising to let the Committee know the decision at that point. I understand that he then wrote to the Chair of the Committee on 31 January confirming that the UK was opting in to the directive. When was the decision actually made? Was it made before 23 December? If the decision was delayed, why?

In his statement, the Minister said, "By opting in now, we do not accept that the draft directive is perfect. We will work to ensure the final text is in Britain's interests and we will seek to negotiate out any proposals we believe are unnecessary." Would it not have been more consistent and logical to have opted in to the draft directive much earlier, to ensure that the British government could influence it and have their say? On such a matter, and given that we are building on the already well-established 2005 framework decision, was it not in our interest to have our say early on? Why wait until the end of the process?

Secondly, we understand that there will have to be changes to domestic legislation on issues such as extraterritorial jurisdiction and including all the offences set out in articles 6 and 7. Will the Minister explain the exact changes that will be required, in particular to the Computer Misuse Act 1990 and any other legislation? When will the House be asked to deal with those matters?

Thirdly, the directive sets out the need for a national contact point to provide an initial response to urgent requests for information within eight hours. With the transition from the Serious Organised Crime Agency to the National Crime Agency, what ring-fenced funding will be available for the initial response work, and how will the overall cuts to the Home Office budget affect the ability to provide that response?

Fourthly, under article 15, there is a requirement for the collection of statistical information on offences covered by the draft directive, including details of the number of offences reported, the follow-up and the number of investigations, prosecutions and convictions each year. Although the Minister has indicated previously that some of those data are already collected, what further resources will be needed to ensure that the full datasets are collected, and who will do that? What additional resources have been allocated for the purpose from the £650 million he mentioned?

Fifthly, what plans does the Minister have for dealing with the increase in penalties to a maximum term of imprisonment of not less than five years? Does he envisage creating a new offence to deal with aggravating factors, or increasing the length of existing sentences?

Finally, may press the Minister on another matter? Although we welcome the announcement of the opt-in to this directive, it is deeply disappointing that the Government have failed to opt in to the draft directive on human trafficking. We ask them to think again.

James Brokenshire: I thank the hon. Lady for her broad welcoming of this decision and the actions that the Government are taking to combat the threat of cybercrime and on cyber-security. This is probably the first time that the House has had the opportunity to debate a number of these issues and ask questions on them, so I welcome the opportunity as part of our scrutiny of EU directives.

With regard to the hon. Lady's questions, I can assure her that the opt-in decision was made in time, so there is no issue of any harm in that sense. The negotiations and detailed consideration of the directive were started only recently, so the UK's position has in no way been compromised by our decision. Indeed, the timing has been part of respecting the parliamentary scrutiny—allowing the three-month period so that the European Committees can do their work.

The hon. Lady raised questions about changes to legislation and made other points on how implementation might take place. I think that it would be premature to address those points directly until we see the final version of the directive, which is still subject to further discussion and consideration. We will investigate clearly and set out for the House properly how we intend to take matters forward once the directive has been finalised.

The hon. Lady asked questions about the national contact point and about statistics, information and funding. As I have set out, the Government take the issue of cybercrime and cyber-security very seriously, which is highlighted by the £650 million that the UK has committed as part of its national cyber-security programme. We are considering carefully how allocations will be made for that, taking account of the need to ensure that the UK continues to respond effectively to the challenges posed from the online environment.

I welcome the hon. Lady's broad welcoming of the decision to opt in. We see positive benefits and direct advantages from the directive. On her point about the EU directive on human trafficking, we did not decide to opt in at the outset because it contained no operation or co-operation measures from which the UK would have benefited. We have said that we will review that position after implementation of the directive, at which point the UK could apply to opt in retrospectively.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Owing to the pressure on time, please could we have short questions and short answers?

Mr William Cash (Stone) (Con): The Minister may not be surprised to hear that, as Chair of the European Scrutiny Committee, I do not agree with his assertion that this has been done in accordance with due process. The former Leader of the House of Lords gave an undertaking that, in matters of opt-ins, an indication would be given to the Committee in advance of their intention. That indication has not been given. The draft is still under scrutiny and is currently deficient, as the Minister has conceded. What is the point of having a scrutiny process if it is compromised by decisions taken in advance of that consideration in full by the Committee, which would no doubt have recommended a debate?

James Brokenshire: I hear my hon. Friend's point. We obviously reflected on the conclusion from the Committee's initial response on the directive, which stated:

> "We agree that large-scale attacks against information systems are likely to have a cross-border dimension and require close co-operation between Member States. We think that the legal base proposed is appropriate and accept that there is a case for further EU action to respond to new methods and tools for committing cyber crime."

As he will realise, there is a three-month period in which the UK must respond to those issues. We take scrutiny very seriously. Indeed, making this statement on the Floor of the House underlines the importance that we place on allowing scrutiny to be applied. Obviously, the directive still requires more work and consideration in the negotiation, and that is precisely what the Government will do.

Chris Bryant (Rhondda) (Lab): Does the Minister not understand that when Britain is dilatory in signing up to new directives and pieces of legislation, particularly those which have obvious cross-border relevance, it is deleterious to the British interest, because we are unable to take part in the full process of developing the policy? What he said earlier about why we are signing up to this directive but not yet to the directive on people trafficking makes absolutely no sense.

James Brokenshire: We examine the directives on a case-by-case basis, and I have set out clearly that we decided to opt in to this directive so that we could be part of the negotiations. As I said in response to the hon. Member for Kingston upon Hull North (Diana Johnson), the human trafficking directive contained no co-operational measures from which the UK would benefit, which was why we decided not to opt in, but we certainly keep the issue under review.

Mr James Clappison (Hertsmere) (Con): The motivation behind the change in the law might or might not be worth while, but there is a question about how and where we determine the legislation that governs this country. Will the Minister confirm that this directive has been agreed notwithstanding the fact that it was held under reserve by the European Scrutiny Committee and that it involves a change in the law and, apparently, the creation of new criminal offences, all of which are taking place without an opportunity for a debate in this House, let alone a vote? Has our law-making process not been bypassed altogether so that we now have a law that, whatever its merits, has simply been made in Brussels?

James Brokenshire: I simply do not agree with my hon. Friend's analysis. We have allowed scrutiny of the approach and of the directive. I hear his point, but the implementation of the directive will take place in this country, and I think that the importance of cross-border working on an issue such as cybercrime, where close co-operation is needed, means that that work at EU level is important. We clearly keep the interests of the British people at the heart of our intentions, to ensure that the decisions made add to their protection, which is threatened by increasing levels of cybercrime and by those who wish to prey on them using computers and the internet.

Tom Brake (Carshalton and Wallington) (LD): Does the Minister agree that by opting in to the directive we will strengthen the UK's leadership role in the fight against cybercrime and that, were the UK to sign up to the EU directive on human trafficking, we could provide additional leadership in that field as well?

James Brokenshire: As I have said, we keep the position on the human trafficking directive under review. I think that the directive that we are considering today has clear benefits and builds on the work of the Council of Europe's convention on cybercrime, which, interestingly, the previous Government signed up to in 2001 but never got around to ratifying. That highlights the importance that this Government place on international co-operation when dealing with these important matters.

Bob Blackman (Harrow East) (Con): I welcome the statement, but cybercrime does not recognise international or EU boundaries, as my hon. Friend recognises, so will he confirm that there is nothing in the directive that will prevent us from seeking to co-operate with other Commonwealth countries, our friends in the United States and other like-minded countries to combat that menace?

James Brokenshire: My hon. Friend makes an important point about the need for international co-operation. It is one of the reasons that we have ratified the European convention on cybercrime, which has in fact been signed up to by a number of countries outside Europe, including the United States. We take the important issue of international co-operation very seriously, and the directive we have decided to opt in to underlines and telegraphs that commitment, but clearly there is work to do with countries outside the EU as well.

Mr Ben Wallace (Wyre and Preston North) (Con): Nowadays, investigators need access to current and historical data in order to achieve a successful prosecution in cybercrime and other internet crimes. In the past, the United Kingdom wanted seven years to be the key measure throughout Europe of the time that IT providers, banks and so on held back-data, so that we could get proper investigations going. Does the directive set a limit and require all EU Governments to place a duty on IT providers to hold data for the same time?

James Brokenshire: The directive is focused on the criminality and on cyber-attacks. It includes provisions on mutual co-operation, but it does not set the sort of framework to which my hon. Friend refers.

Lorraine Fullbrook (South Ribble) (Con): Will the Minister confirm that the measure is not about sovereignty, but about practical co-operation that is vital to our national interests?

James Brokenshire: My hon. Friend sums up the measure very well. It is very much focused on practical co-operation and on ensuring common standards, which, building on co-operation, better information and mutual assurance, provide practical benefits for the United Kingdom, given the challenges that we face from cybercrime committed not only in this country, but in other EU countries.

Mr Christopher Chope (Christchurch) (Con): The Minister refers to the Council of Europe convention, which covers 47 countries plus the United States and other countries, but what added value does the directive have when compared with that convention? If the directive is inadequately drafted, as my hon. Friend the Member for Stone (Mr Cash) says it is, why do we not wait to see whether it can be correctly drafted before we sign up to it?

James Brokenshire: The directive builds on the convention and deals with certain additional issues, such as the response that other EU countries provide to requests for information on cyber-related attacks and cybercrimes, so we think that it has important benefits. It is precisely because of those practical benefits that we think it appropriate to opt in at this point and to negotiate on and change the drafting where it requires further work. We believe that, because of the directive's practical and direct benefits, it is important to be there and do that.

Dr Julian Huppert (Cambridge) (LD): Will the Minister help me on a technical point? I understand that the directive is a repeal-and-replace measure; it repeals a directive to which the UK is party and replaces it with a new version. If the UK had opted out of the directive—I am glad that it has not—would it have still considered itself bound by the original 2005 framework decision? If not, what would the implications have been for UK cyber-security, given that that framework decision provides for police and judicial co-operation on cross-border cyber-threats?

James Brokenshire: I am very grateful for the hon. Gentleman's question, which transcends this directive, which is a Title V measure, as contrasted with the third pillar measures that are subject to the potential block opt-out in 2014. I hesitate to go into the technicalities, but we have clearly opted in to the directive, so it falls within the Title V base rather than the third pillar base. It was a technical question, and I am sorry for that rather technical response.

Charlie Elphicke (Dover) (Con): In Dover, we see human trafficking and all too often the evil perpetrated by international gangs in the physical sphere. We should sign up to directives only when we get information-sharing and international assistance, because crime knows no borders, but can the Minister reassure the House that there will be no mission creep from cybercrime to the snooping that we have seen under the Regulation of Investigatory Powers Act 2000?

James Brokenshire: My hon. Friend makes a very important point, and, in striking the right balance, we approach those issues with the rights of the individual's freedoms and liberties very much at the forefront of this Government's mind. We believe that the directive is important and will add value, but we will approach those issues with liberty and freedom at the forefront of our mind.

Neil Carmichael (Stroud) (Con): I have been a victim of mobile telephone fraud, so will the directive have the scope to deal with cybercrime in connection with such fraud?

James Brokenshire: The directive is very much focused on computers and computer systems, rather than on telephones and mobiles, but, as telephone calls and Skype add to computers' ability to facilitate contact, such communication might be brought within the scope of the directive.

Points of Order

12.45 pm

Mr William Cash (Stone) (Con): On a point of order, Mr Deputy Speaker. I am gravely concerned about the manner in which the previous business has been dealt with. There appear to be a stream of such opt-ins in the pipeline, so I suggest that appropriate action be taken to ensure that at least the Chairman of the European Scrutiny Committee—myself—is given adequate notice and advance warning of any such statement, because the Committee has been effectively bounced, and that is not in the interests of the good order of this House, in the Standing Orders or in the spirit of the undertaking that the former Leader of the House of Lords gave.

Mr Deputy Speaker (Mr Nigel Evans): That is not a point of order for the Chair. It seems to be an extension of the statement that we have just had, but Members on the Treasury Bench will have heard what the hon. Gentleman said.

Mr Christopher Chope (Christchurch) (Con): On a point of order, Mr Deputy Speaker. "Erskine May", at page 412, says:

"The Speaker has deprecated as 'unparliamentary' the practice of voting in both lobbies as a demonstration of a 'third' position."

Last night, in Division 189 on the Government's amendment to the Opposition's motion, 17 Liberal Democrats abstained or did not vote and a further six voted both for and against—and four of them had voted for and against the main motion a few minutes earlier. Will you, Mr Deputy Speaker, repeat the ruling that it is unparliamentary for hon. Members, whether Liberal Democrats or from any other party, to behave in that way?

Mr Deputy Speaker: While such action is not out of order, Mr Speaker and his predecessors have deemed it unparliamentary. The hon. Gentleman's point will have been heard on both sides of the House, and Mr Speaker will reflect upon the matter.

Backbench Business

[18TH ALLOTTED DAY]

Consumer Credit and Debt Management

Mr Deputy Speaker (Mr Nigel Evans): Mr Speaker has selected the amendment in the name of Robin Walker and several other hon. Members.

12.47 pm

Stella Creasy (Walthamstow) (Lab/Co-op): I beg to move,

That this House notes with alarm recent evidence showing a fourfold increase in the use of payday lending since the beginning of the recession and that high cost credit lenders advanced approximately £7.5 billion to low and middle income consumers in 2008 alone; recognises the problems of financial exclusion, lack of financial and debt management education, lack of price competitiveness in the unsecured lending market and the near monopoly positions of many large lenders which contribute to the high costs of borrowing; considers that without action these factors could worsen family debt, poverty and financial difficulties to the detriment of the economic recovery; therefore calls upon the Government to introduce, alongside measures to increase access to affordable credit, regulatory powers that put in place a range of caps on prices in areas of the market in unsecured lending which are non price-competitive, likely to cause detriment to consumers or where there is evidence of irresponsible practice; and believes that such caps should take account of the desirability of maintaining access to affordable and responsible credit, the likely impact on the supply of credit and the cost of enforcement, that they should be regularly reviewed and that they should use the total cost of credit, calculated on a yearly basis, to ensure that lender avoidance and distortions in price are prevented.

It gives me great pleasure to present to the House today an opportunity to put on record its support for the introduction of caps on the total cost of lending, and so protect Britain's poorest consumers from the practices of so-called legal loan sharks. My introductory remarks are set out in three sections. I shall address, first, the problems; secondly, how the proposals would tackle them; and thirdly, in seeking people's support for the motion, the concerns that they might have about the proposals.

To begin with, however, I shall tackle what we are not talking about today. The proposal is not about a usury law or about setting a single cap for interest rates. Previous Governments rightly concluded that that would not be the right thing to do. All the briefings that Members have received from industry lobbyists have been about such proposals, and the often cited Office of Fair Trading research is also about such an idea, but let me stress that there are flaws in that proposal, which is why we suggest that something different needs to take place. I shall also be clear that this is not a debate about how we abolish the high-cost lending market, or about stopping people borrowing. Credit is a vital part of the economy and, clearly, a part of the UK lifestyle. Indeed, one challenge that we face during our economic recovery is to encourage people to take a sensible and sustainable approach to credit, because, given how we live in the UK, it is a key part of our future.

Debt and credit is a much greater part of the UK's psyche than any other country's. As Third Sector Foresight points out, Britain has double the debt of continental European countries, and personal savings are at their

lowest levels since the 1940s. In April last year, private debt in the UK stood at a whopping £1.4 billion, and living that way has its own consequences. Surveys by PricewaterhouseCoopers show that debt levels in our society mean that the average household is paying 15% of its net income purely on the interest it owes to service such debts.

Our focus in this debate is on a very specific aspect of credit provision. The high-cost credit market is very different in its practices in comparison with other, more mainstream forms of lending. We are talking about the payday loans of £100 until the end of the month that keep getting repeated, the doorstep lending of £200 that is offered to people so that they can buy a new sofa, and the hire purchase agreements offering deals that people sign so that their kids can have a new TV.

Above all, this debate is about the spiralling costs at the heart of such loans, because it is the rates that people charge that make this a billion-pound industry. It is all legal, and it is all growing. While some forms of high-cost lending have been with us for generations, we have also seen in this country a rapid expansion in the scale and use of these forms of credit in the past few years alone. That is driven in part by the drying up of mainstream credit. PricewaterhouseCoopers reports a staggering 79% drop in secured lending in the past year. Research by Consumer Focus predicts a rise in payday lending alone of 40% to 45% in the next few years. There has also been a fourfold increase in payday lending since 2008.

I see for myself the impact that this has on my community in Walthamstow. Our high street now has a large number of shops offering short-term loans, hire purchase agreements and credit deals. That is a badge of poverty. These companies see our fragile economic conditions as fertile ground. The aptly named Mr Crook, who is the chief executive of Provident Financial, the largest home credit company, says that he expects a growth in his target market as a direct result of the comprehensive spending review. Who does he mean by that? He means those with poor credit histories and those with no credit histories. In my cosmopolitan corner of London, one of these companies employs only people who speak more than two languages, so that they can target newly arrived residents who do not understand or know the British banking system. He also means those who are facing redundancy or are newly unemployed.

Indeed, as we see higher levels of unemployment, the need to act quickly becomes even greater. As a lady from Leicester who recently contacted me pointed out, as a public service employee on a redundancy notice she could not borrow from either her bank or her local credit union, so what other option does she have? That is when this kind of lending becomes a problem. Some can manage such credit, but the toxic mix of low incomes, perpetual interest payments and no choice affects too many people in our country.

Helen Goodman (Bishop Auckland) (Lab): My hon. Friend is making her case most eloquently. My constituency also has shops where people pay possibly three times as much for white goods, furniture and so forth. Is she aware that, although the problem is intensifying, it is not new? I wonder whether she has read Proverbs 22:

> "If you have nothing with which to pay, why should your bed be taken from under you?"

When people cannot pay, their beds and their fridges are taken from them.

Stella Creasy: My hon. Friend makes an eloquent point. Indeed, I am grateful for the support that we have had from Church Action on Poverty for the campaign and for the proposals before the House.

Neil Carmichael (Stroud) (Con): Does the hon. Lady agree that the Bills of Sale Act 1878, which enables lenders to go into people's homes and take property, should be reviewed, because that is an unintended consequence of the Act?

Stella Creasy: The hon. Gentleman raises an interesting point which Members might want to cover during the debate.

Most importantly, we are looking at the principle of how we could stop people getting into such high levels of debt because of the rates they are charged for the borrowing that they undertake.

Mr Jim Cunningham (Coventry South) (Lab): Has my hon. Friend noticed that these businesses and shops are advertised on television? Does she have anything to say about that?

Stella Creasy: I do indeed, but I will leave that to my much more eloquent colleague, my hon. Friend the Member for Darlington (Mrs Chapman), who has done some sterling work in introducing proposals on how we might address some of the problems caused by advertising.

It is the captive nature of this market that makes intervention so key. The lack of competition for these products keeps prices artificially high, along with profits. The Office of Fair Trading says that there is not enough of what it calls "substitutivity". Let me put it more simply. As the industry itself admits, 25% of home credit users and 23% of payday users have no other credit option. Consequently, these companies can extract what might be termed an economic rent. They set the terms of the trade in what they will lend at a risk that is much too high for consumers. In this context, I pay tribute to the work of the right hon. Member for Welwyn Hatfield (Grant Shapps), who is now a member of the Government, and who published a report in 2009 highlighting the lack of competition in this market and its consequences. As he said,

> "We think it is obscene that anyone should end up paying 10,000% APR, particularly when the evidence suggests that these loans are targeted at some of the most vulnerable members of our society".

These are people for whom such repayments become a weight on their finances and their families—people who do not have large amounts of disposable income and for whom any change in circumstance, be it divorce, job loss or increases in rent, can tip them into destitution. The Consumer Credit Counselling Service says that one in eight people who contacted it for help with such unsecured debts in the first half of last year were on jobseeker's allowance. Contrary to what might have been suggested this morning on the "Today" programme, one in 10 payday loan customers are on £11,000 per year or less. These are people like the man who contacted

[Stella Creasy]

me because he currently has nine payday loans that he is trying to pay off. One company, Wonga, is chasing him for £1,600 for an £800 loan that is 40 days overdue. The first loan was meant to be a stop-gap to bridge the gap between one job and the next pay cheque, but the interest in itself quickly becomes the long-term debt. If those are the problems, what are the solutions?

Barry Gardiner (Brent North) (Lab): I am grateful to my hon. Friend for the very powerful argument that she is making. Does she agree that part of the problem is that a vicious cycle develops, whereby companies use the rate of default to justify the increasing percentage that they are charging on the loans? That is a completely fallacious argument, but one that they always advance to the regulator.

Stella Creasy: I strongly agree with my hon. Friend. Few companies have been able to explain to me precisely how they manage to set their rates; they seem to pick a number out of the air and go with that. However, I will return to that point in some of my suggestions for solutions.

There is a new proposal that we, as a House, can take forward to address this phenomenon, and that is what the motion is about. It is based on new evidence about what would work in addressing the impact of such loans on our constituents. That is why I come to the House today not to speak on my own but to speak with the backing of many different organisations from a wide range of sectors. I want to put on record my thanks to Citizens Advice, which has opposed other measures such as interest rate caps, but in contrast believes that these proposals could offer a way forward; to Consumer Focus, who says of this motion that it is

"a different, and more considered, approach than the blanket application of a blunt interest-rate-cap";

to Martin Lewis, a passionate advocate for financial education, as many Members may have found out earlier this week, who had also opposed interest rate caps but supports these proposals as "much more sensible"; and to the Better Banking campaign, London Citizens, the Co-operative movement, Compass, the GMB, Unison, Church Action on Poverty, the New Economics Foundation, the Centre for Responsible Credit, and countless others, especially those on Twitter, who have supported these proposals.

All those people agree that we can have an effective, evidence-based policy, and that we can learn about what works from other countries where such measures have been introduced. Nothing that I am proposing today is rocket science or untried or tested. When we talk to people outside the UK, we find that they are surprised that we have not dealt with the problem so far.

Steve Rotheram (Liverpool, Walton) (Lab): We, as parliamentarians, should congratulate my hon. Friend on this debate. Is she aware that today is the centenary of the death of Robert Tressell? I am sorry that I am unable to stay for the whole debate because I am going back to Liverpool—where he was buried, unfortunately in a pauper's grave—where there is a series of events. A hundred years on, people are still being exploited. Does my hon. Friend agree that this issue should garner cross-party support to stop the exploitation of ordinary working families?

Stella Creasy: Indeed, in the spirit of cross-party support, I was delighted to hear the Mayor of London say that the rates that these companies charge are extortionate. I hope that I can convince him to take more action on the matter for Londoners.

I have been struck by the response to our market from people from other countries. As a local MP, I regularly leaflet for my local credit union outside the premises of the legal loan sharks in my high street. Last Friday, I spent 20 minutes trying to explain to an outraged Polish woman that the companies could charge her such rates; something that does not happen in her country. As her English was not great and my Polish was even less so, my gesticulations about where the credit union could be found were perhaps unclear. However, her anger and amazement that this was legal in Britain was easy to translate.

I am not asking hon. Members to come and stand on a chilly high street in Walthamstow with me. Recent European Commission research shows what we should do and what we should not do. Members may have been told the edited highlights of that 500-page research document. Having read the whole thing, I will offer them some more. It says that we should learn from the experience in America, where interest rate caps that were set too low have caused problems for lenders and consumers. By contrast, it highlights the benefits of a European model. Perhaps that is not a winning proposition for some Government Members, but I hope that they will bear with me.

The document shows that many ways of capping are used in different countries. Britain is increasingly isolated in not dealing with this market in the same way. Fourteen European countries have a form of capping system or a ceiling on charges. In France, the cap is a third over the market average. In Slovenia, there is a spread of caps, with 13% for a long-term loan and 453% for a shorter-term loan. In Belgium, the cap is based on the amount that is lent, rather than on the rate. There are different levels for loans below and above €1,250. Some countries, such as Ireland, cap only part of the market, whereas others, such as Germany, have limits on all forms of lending. The motion draws on what has been learned from the examples of what works and what does not. It calls for a regulator to introduce a series of caps in the areas of the unsecured lending market in the UK that are not price competitive and where there is evidence that not doing so would cause consumer detriment.

It is worth considering the nature of the UK high-cost lending market. A range of products is available from short-term payday loans, to complicated hire purchase agreements and home credit arrangements. Because there are no caps in our system, the rates can range from 271% and 440% to an eye-watering 4,000% or more. None of the companies can provide pricing data to explain why it has arrived at such rates. Under the proposal, the regulator would step in and look carefully at these markets to determine, on the basis of the evidence, how best to proceed.

Competition is a clear challenge. Just six companies operate in the home credit industry, one of which owns 60% of the market. The motion calls for intervention

where there is evidence of a lack of competition. It also highlights the need to intervene when there is evidence of consumer detriment. Consumer detriment is littered throughout the practices that the companies get away with: the rolling over of loans and the compound interest that that generates; the administration fees; and setting the level of loans well beyond the realistic reach of their clients' incomes so they cannot pay them off. Friends Provident today admitted that 29% of payday loans are refinanced, and that on average the refinancing rolls over twice. Some 15% of home credit loans are refinanced and rolled over into a new loan before the end of the term. Those practices are designed to ensure that consumers pay, but that they never end the relationship. Instead, they are caught in a never-ending cycle of payments and loans.

John Pugh (Southport) (LD): The hon. Lady keeps mentioning these companies. She may not be aware that in my constituency, it is national banks that have exploited migrant workers. The advantage, which we secured, is that they have a regulatory body that called them on it and got the system adjusted.

Stella Creasy: The hon. Gentleman makes a good case for regulation, which is what the motion would introduce. However, it would be considered regulation that takes account of the market and of how it affects consumers. That is why I have confidence that the proposals would be effective if they were taken forward by the Government.

Markets change and the motion is about being responsive to that. It takes into account how consumers and lenders interact with the market. It draws its effectiveness from an evidence-based process. It is regulation at its best and boldest. Crucially, the proposals overcome the problems associated with previous proposals, which calculated the interest rate. Instead, the total cost of credit would be considered. That difference makes all the difference.

There is strong evidence from countries with caps that lenders have tried to avoid them or to compensate for their profit loss by applying higher charges. In Poland, following the introduction of caps, lenders introduced a mysterious convenience fee to make up the difference. The European Commission report shows that there is support—although not from providers, of course—for capping all the costs associated with loans to tackle such behaviour across the sector. The key to that measure will be how the caps are calculated. We have proposed that they should be annualised for ease of comparison and based on the total cost of the loan, rather than the interest rate alone. Calculating on the total cost makes it clearer to consumers what they will actually pay. There would be no small print and no nasty surprises that undermine people's attempts to budget for repayments.

The motion is deliberately open about who would regulate. That is because changes have been proposed that would involve a number of bodies in the process, including the Office of Fair Trading and Consumer Focus. The Members who tabled the motion are open on how the regulatory process should be taken forward, but we want it to be taken forward.

The regulator would work with all stakeholders in the industry, including the lenders. I know that the industry is frightened by the proposals because of the amount of spin that they have sent to hon. Members. That is a pity because if they had been involved, we could have learned from their experience in considering the appropriate levels of capping. Their churlish opposition to any form of price capping and their attempts to conflate concern about interest rate caps with this matter highlight a disgraceful attitude towards vulnerable consumers. That is why self-regulation is not an option and why we as politicians must move towards intervention.

We have seen in other industries that where there is a lack of competition, regulators can work with consumer representatives and providers to set effective frameworks. That has happened in the water industry, the energy industry and the financial services industry. The proposals therefore build on the best practice in market intervention. I believe that British consumers deserve the best practice.

Having set out the proposals, I will take on some of the arguments that have been made against them. In doing so, I urge hon. Members to learn from that most famous of Dickensian characters, Gradgrind, who argued:

"Facts alone are wanted in life. Plant nothing else, and root out everything else."

Some people have argued that capping the costs of credit would cut lending in the industry and put firms out of the market—a market that Consumer Focus estimates is worth £35 billion a year. I urge hon. Members to read the European Commission research that investigated that very point and found no evidence to support it. Indeed, the OFT research that is often quoted is based on an industry study, which says that people could end up borrowing from friends and family. Furthermore, the EU research found that countries with no caps had higher levels of illegal lending than those with some form of cap.

Some people fear that if caps were set, there would be a race to the top for all lenders. That suggests that caps would encourage all banks and building societies to start charging 4,000% interest rates. When Policis considered the matter in 2004, it found no evidence to support that concern. The motion calls for a range of caps to reflect different types of loans. That reflects the fact that mainstream banks would not compete with lenders in the unsecured market.

Lorely Burt (Solihull) (LD): On the Policis research, the former Labour Minister with responsibility for consumer affairs, the hon. Member for Cardiff West (Kevin Brennan), stated:

"Government carefully considered the case for a cap on interest rates following research carried out by Policis in 2004. The research showed that imposing a cap on interest rates could result in lenders withdrawing from the riskier end of the market, including the home credit market, denying vulnerable consumers access to legitimate sources of credit".—[*Official Report*, 22 March 2010; Vol. 508, c. 149W.]

Stella Creasy: It is a pity that the hon. Lady was not here at the start of the debate when I set out clearly that the proposal is not for an interest rate cap, but for a cap on the total cost of credit. As I said, that is a difference that makes all the difference to the efficacy of the proposals. That is why many groups that share the concerns in the research that the hon. Lady has set out, are not concerned about these proposals. I urge her to look closely at that distinction. I will press on now because many hon. Members wish to speak and I know that the Minister will have a substantial amount to say.

[Stella Creasy]

Another point that has been raised is that new provisions in the Consumer Credit Act 2006, which came into force recently, may well change the market. Although those provisions are welcome, the protection that they offer presumes that choice is open to consumers and that if they are simply equipped with clearer pricing and the chance to rethink loans, that will resolve the problems that we have discussed. Customers with no alternative, struggling to make ends meet, cannot exercise choice or avoid borrowing. If someone is tied to the train tracks, knowing when the train is coming makes only a limited difference to their chances of survival. Until we give consumers a level playing field by producing powers to cap costs, we will not change the dynamic of the relationship.

Others have argued that the powers needed already exist, and that the Competition Commission could investigate and act. Indeed, the Office of Fair Trading referred the home credit market to the commission in 2004, as the hon. Member for Solihull (Lorely Burt) pointed out, and came up with various remedies. Here I turn to the views of Citizens Advice, which argues that the problems are getting worse, not better. That shows that those powers have not worked, so it is time to strengthen the intervention that we make in the market.

Mr Deputy Speaker (Mr Nigel Evans): Order. The hon. Lady has already indicated that a lot of Back Benchers wish to get in. It was recommended that her speech should last 15 minutes, and she is way over that. Could she please bring her remarks to a close?

Stella Creasy: I will, Mr Deputy Speaker.

Finally, people have suggested that we need to introduce more competition by encouraging affordable lending, and I agree, but I do not see that there is a choice to be made between capping the costs of credit and supporting credit unions. Furthermore, it will take a long time for credit unions to become a serious, affordable alternative. In contrast, cutting rates would have an impact on people's debts now.

I know that some people are concerned about the concept of regulation, but in the motion I simply urge the Government to close the loophole that they have created by saying that they will commit to regulation on the costs of store cards and credit cards but leave this vulnerable market untouched.

The weight of evidence means that I will hold firm in not accepting the amendment, as much as I welcome the strong cross-party support for the proposals. We all know that that support exists, and in these days of new politics I want to celebrate it, but I fear that the warm embrace of consideration could turn into the slow of death of progress without firm direction from the House. The longer we delay affirmative action, the longer our constituents will pay high rates.

Make no mistake, the problem will get worse, not better. As Uriah King of the American Center for Responsible Lending points out,

"payday lenders are aggressively seeking new markets because they are being curtailed here in the US".

We can all see the consequences in our communities. One example of this is the uncle who came to me last year because his 16-year-old nephew had been given a £300 loan by a home credit agency. His family will struggle to repay that debt. He is angry, you bet, but he knows that it is all legal. What chance for the next generation if we do not act now? Mr Crook will be licking his lips at their predicament.

Let us not delay. There is evidence to support my proposals, and there is political will in the House for this to happen. Let us consider the motion a belated submission to the credit review, giving the Government a clear and urgent message that the time for capping costs has come. Voting for the amendment would dilute that message. The clock is ticking. Research by R3 shows that 44% of people in this country now struggle to make ends meet until pay day, and the problem will only get worse. Those people are our constituents, and they are our responsibility. I ask Members to please give them more than consideration—please give them action. Support the motion and protect the poorest consumers above the needs of loan sharks.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. As hon. Members can see, this is a popular debate and a five-minute limit has been introduced, with the usual injury time for the first two interventions. Members do not have to take the full five minutes—if they do not it will mean that more people can get in—and they do not have to take interventions.

1.13 pm

Jackie Doyle-Price (Thurrock) (Con): It is a great pleasure to speak in this debate and to follow the hon. Member for Walthamstow (Stella Creasy), who made her case with great passion, as I think all Members would agree. It is important that we consider the whole issue of indebtedness, which has become a plague on our country and will only get worse as time moves on. We all want appropriate measures in place to protect those who rely on credit from the activities of unscrupulous lenders. I bring some knowledge to this subject, having worked in a previous life as an adviser to the Financial Services Consumer Panel. We have long been concerned about the inadequacy of the current framework of consumer credit regulation, so now is clearly the appropriate time for change.

Although I fully support the objective behind the hon. Lady's motion—ensuring that there is adequate regulatory protection for consumers and that regulators have adequate powers to intervene as appropriate—I am not sure whether the caps that she describes are necessarily the answer. However, it is appropriate that we consider the whole breadth of how credit is regulated as part of the credit review. We should leave no stone unturned in ensuring that the regulator has the appropriate tools and, more importantly, the appetite to take enforcement action where poor practice is identified. I was therefore happy to put my name to the amendment.

John Pugh: I assume that as the amendment has been tabled by Back Benchers to another Back Bencher's motion, the Whips will take no part whatever in persuading people to vote for or against it. Am I right in making that assumption?

Jackie Doyle-Price: What the Whips choose to do is entirely a matter for them, but I wish to support the amendment rather than the motion because the motion is too prescriptive. We have seen credit providers be very innovative in finding their way around regulatory obligations, so we should not be too prescriptive. If we introduce obligations on providers to treat their customers fairly and lend responsibly, and obligations on the regulators to be prepared to use their judgment to intervene, we will not need to rely on price-prescriptive caps, which might impede our ability to take action against bad providers.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): Does the hon. Lady agree that the nature of the problem means that urgent action is needed? Her point that providers are good at getting around obligations means that a very strong signal from Government is needed, which suggests that we should support more prescriptive measures.

Jackie Doyle-Price: I believe that that actually makes the case for the early introduction of the consumer protection and markets authority proposed as part of our reforms to the tripartite regulation system. At the moment, we have a consumer credit system regulated by the OFT, in which the tools available are not very effective. With the reforms to the tripartite system, we have a great opportunity to state that we expect the new authority to take real action. In the past there has been a lot of, "Oh dear, isn't this terrible?" and a lot of wringing of hands from regulators, but they have had no real ability to stop poor providers doing business or to give them appropriate penalties. That is what we want to see from the reform of the regulatory system.

One reason why many consumers find themselves in punitive agreements is that deals are often marketed in terms of the cost per week, so they do not necessarily understand exactly how much they will pay for their credit. That practice is not just restricted to doorstep lenders and loan sharks, because all too often we see it on our high streets, as the hon. Member for Walthamstow mentioned.

I wish to draw attention to one particular organisation, a company called BrightHouse. There is a branch on High street in Grays, and I thought I would do a bit of price comparison. At the moment, it is advertising a nice, attractive 46-inch LED television that currently retails at £849 in Currys. BrightHouse is retailing it at £1,478.11, but it quotes a weekly payment of £13.64. On the face of it that sounds affordable, but ultimately the customer will pay a total of £2,127.84 for the product—two and a half times the price that they would pay in a normal high street store. That is why we need to consider extending affordable credit provisions more widely, so that consumers are not ripped off by such companies.

Damian Hinds (East Hampshire) (Con): Does my hon. Friend agree that in such rent-to-own cases, the annual percentage rate advertised may well be shown as 29.9%, which is in fact the cost of the credit, but the grey pricing means that the sticker price is elevated? That highlights exactly how companies try to get around whatever measures are put in place, even if they are very sophisticated.

Jackie Doyle-Price: That is why we must avoid being prescriptive about how we tackle the problem. We can make rules, but firms will find ways of getting around them. We could put in place an overarching obligation for the regulator to say, "We will take action when we think something is not fair", and we will be able to point out that such practice is not fair by any stretch of the imagination. However, we need to set that expectation for the regulator—that it will take action when unfair activities take place.

The hon. Member for Walthamstow mentioned affordable credit. Ultimately, we will not tackle the problems until more affordable credit is available. With that in mind, I should like to ask what more the Government can do to establish and foster the growth of credit unions and to think in a big society way.

Sheila Gilmore (Edinburgh East) (Lab): In the light of the hon. Lady's support for affordable credit, will she put pressure on the Government to extend the life of the growth fund?

Jackie Doyle-Price: I was about to say that I am asking the Government to think in a big society way about what they can do to encourage the growth of credit unions. It would be nice if Opposition Members allowed Government Members to make our case, because we have as much to advance on this subject as they have.

I pay tribute to my local borough council, which has welcomed Essex Savers credit union into its civic offices and other properties that it owns and manages. I encourage the Government to consider what facilities it could offer to credit unions—post offices were mentioned, but we could also use jobcentres. That would give credit unions access to more savings, and they would therefore be able to make more loans. I have now run out of time, but I hope the Minister takes that on board.

1.21 pm

Susan Elan Jones (Clwyd South) (Lab): I pay tribute to my hon. Friend the Member for Walthamstow (Stella Creasy) for her sterling and tireless work. I also pay tribute to the cross-party support for her motion and the widespread support from groups that I do not believe have ever spoken to each other before, which shows the strength of feeling.

I am speaking today because of a constituent on income support who went to BrightHouse and was told it was fine for them to buy any item, however expensive it was and whatever the rates they would have to pay back. I am here for the couple with children who lost their house through redundancy. As well as very large mortgage-related debts, they must pay 10 other debts, including five from credit cards, all of which are spiralling out of control, to a total of £37,000. That is the tip of the iceberg in just one constituency. Citizens Advice informs me that in my constituency—just one constituency in one part of the country—it is dealing with work relating to debts in excess of £2 million. That cannot be right, which is why I believe we have such a consensus.

Just before Christmas, I received a nice, handwritten card in the flat that I rent in Vauxhall. The nice person who signed it told me that I could get £300 immediately. The only problem was that the annual percentage rate was 272%, which would mean that I would have to

[Susan Elan Jones]

repay £546. Six companies control 90% of that market in the UK. That is scandalous. New Members received £4,000 loans for office items. What would they think about paying back £7,280? Perhaps I should not have said that quite so loudly—people writing about this debate might think that it is an excellent idea. Seriously, however, that is the problem facing the poorest communities in our country today.

The hon. Member for Thurrock (Jackie Doyle-Price) compared prices between an electronics supplier and BrightHouse. In Argos it is possible to buy a 60 cm double oven for just under £280, but the total after interest for the same item in BrightHouse is almost £590. That is nonsense—it is immoral and it must be stopped.

I should like to deal briefly with credit rates, which hon. Members have mentioned. Some say that if we act, there is a possibility that people might go elsewhere to access credit. I understand that, but I cannot see too many of my constituents in north Wales heading to Manchester airport to take the next flight to New York on the off chance that they can get cheaper credit there.

The movement for action is growing globally, including in this country. It is tremendous that we are seeing widespread, cross-party support, and support throughout business and civic society. I commend the motion and hope it wins support. I also hope the Government put behind them whatever qualms they may have had, because this matters in our constituencies, whatever parties we represent, and whatever part of the country we come from. The motion will make a difference to the poorest members of our society. It is right and moral, and we should take action.

Mr Deputy Speaker (Mr Nigel Evans): Thank you for your brevity.

1.25 pm

Duncan Hames (Chippenham) (LD): I should first declare an interest as a member of the West Wilts credit union.

I congratulate the hon. Member for Walthamstow (Stella Creasy), who has done so much to raise the profile of this issue in a matter of months since we have been in the House, and all Back Benchers who helped to secure this timely and important debate. I also acknowledge that my hon. Friend the Minister has an admirable track record on financial inclusion that is far longer than mine.

I understand that the Government seek to make policy on the basis of strong evidence and wide consultation, and that my hon. Friend must properly consider all the submissions that his Department receives. However, I have long been clear in my mind about the moral imperative for action, as well as to the practical case for certain caps on the total cost of borrowing.

Back at the hustings meeting at which I was first selected as the Liberal Democrat candidate for Chippenham, I was asked this popular and well-worn question: "If you could make any new law, what would it be?" I said that I would cap the cost of consumer lending. I am not generally inclined—*[Interruption.]* Opposition Members who are looking to establish some consensus in the House would do well to welcome those who support the motion. As I said, I am not generally inclined to rely on new laws and regulations, but it seems to me that capping the cost of consumer lending would be a suitable exception.

High-cost consumer credit works for some people. It can provide a useful bridge across a difficult period. Some consumers use such services in a fully informed and responsible manner and derive benefit from them. However, I also see too many of my constituents caught up in vicious cycles of debt and trapped by unscrupulous and irresponsible lending.

It can be particularly difficult for people to resist taking on further unaffordable borrowing when a representative of the lender is in their home, seemingly innocently chatting about what will get them through Christmas or a child's birthday. Those tactics will be familiar to colleagues across the House from their surgeries and casework. In my view, they are exploitative.

In advance of this debate, I was contacted by Glenis Ansell, a financial inclusion officer from Wiltshire's Community First, who works with constituents of mine in Chippenham. Through the Wiltshire Money Line, she works closely with the county's four credit unions and its housing associations to deliver responsible and reasonable lending to local people. That is an excellent example of efforts to expand access to affordable credit, which we are calling for in both the motion and the amendment. Last year, they saved £250,000 in interest payments alone, and I commend them for their work.

In her work, Glenis sees first hand the appalling toll taken on some vulnerable people, who are targeted by doorstep lenders. She reports cases in which vulnerable adults become too scared to open their own front doors for fear that they will be confronted again by agents demanding repayment. She put to me this perfectly straightforward question: what protection is there for vulnerable people who are targeted by legal but unscrupulous lenders? I hope the Minister answers that for her today.

A range of caps on the total cost of loans would go some way to addressing that very point. I am aware that the Government have some anxieties about prejudging the outcome of their consultation, but I would not want those anxieties to prevent the House from taking a positive view towards the proposed cost-of-credit caps. I therefore intend to support the amendment tabled by my hon. Friend the Member for Worcester (Mr Walker).

1.29 pm

Ian Lavery (Wansbeck) (Lab): I too congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on bringing this important issue to the Floor of the House. I welcome the opportunity to participate in this debate today. There can be no doubt that there is a real need to tackle the uncompetitive nature of this market and protect individuals and families from excessive interest rates and charges by increasing access to affordable credit. The Consumer Credit (Regulation and Advice) Bill will provide an opportunity to make progress on these matters.

Like many other areas of the UK, my constituency of Wansbeck is suffering greatly from the effects of the worldwide global recession. Since the start of the recession, mainstream lenders such as high street banks have been

much less willing to lend money. It is estimated that approximately 5 million to 7 million people in Britain are denied credit either because they do not have a bank account or because they have no credit history. This leaves more and more people in Wansbeck and beyond with only the option of unsecured lending such as payday, doorstep and hire purchase lenders. It is estimated that more than 1.2 million people use the payday lending market—a staggering fourfold increase since the start of the recession—and more than 3 million use the home credit market. Furthermore, rising unemployment, housing costs and VAT could leave numerous families struggling to make ends meet, which would add to the problems they face.

However, it is still relatively easy for anyone to run up substantial debts, and tragically people end up with debts they cannot deal with or service. It was recently reported that the people of the United Kingdom are well over £1 trillion in personal debt, and personal insolvency in the UK has reached record levels.

Robert Flello (Stoke-on-Trent South) (Lab): Will my hon. Friend give way?

Ian Lavery: I would prefer not to, as I have only five minutes.

As always, the most vulnerable members of society are hit the hardest, and people on low incomes or in receipt of benefits are left to the mercy of non-mainstream loans— payday, home credit or pawnbroking. Currently, six lenders account for 90% of the home credit market and there is little competition to drive interest rates down. The lack of competition keeps rates artificially high, with the most vulnerable having to pay the price—literally. The APR for payday lenders often begins at 600% and can escalate to 2,500% or more. Home credit lenders, who make home visits in order to collect repayments for their short-term loans, can charge £82 in interest and collection charges for every £100 lent.

It is not surprising that families turn to illegal loan sharks for help to tackle their immediate financial problems. At this stage it is worth remembering that the coalition Government's solution to the heinous problems with loan sharks in the north-east was to scrap the north-east illegal money lending team. In addition, the coalition shows no appetite to clamp down on excessive interest rates and loan costs—it is clearly out of touch with ordinary people and their problems.

In Wansbeck, the local citizens advice bureau is doing its best to provide good quality debt advice services, but the withdrawal of finance and the reduction in staff numbers are causing real problems. There are some 900 clients in Wansbeck alone, dealing with £10 million of debt. The casework is increasing as the manpower reduces.

If we are to help and protect my constituents and others like them we need to make progress on two fronts. We have to tackle both illegal and legal loan sharking. At the same time, we need to increase access to other, more affordable forms of credit. We need to improve access to credit unions in Britain, but credit unions in Wansbeck have had their funding reduced. I remind the Deputy Prime Minister and his fellow Ministers that they signed an early-day motion in 2005 that called for action on interest rates charged by doorstep lenders, but they have taken no action now that they are in government and in a position to do so.

1.34 pm

Justin Tomlinson (North Swindon) (Con): I thank the Backbench Business Committee for agreeing to the request from the hon. Member for Walthamstow (Stella Creasy) and me for this debate. There is true cross-party support for this—more than 40 Members from different political parties supported us—and we were delighted to secure this three-hour debate. I am pleased that so many want to speak, which shows a real desire to make a difference on this crucial issue.

Many hon. Members will set out compelling reasons for the importance of this issue from their individual casework. Organisations such as the citizens advice bureaux say that 60% of their work is dealing with financial difficulties. It is surely better to tackle the problem at the source, but all too often consumers are simply not equipped to make informed decisions. It is the high-cost lenders who take advantage.

Mr Robert Buckland (South Swindon) (Con): My hon. Friend and I organised a debt awareness day in Swindon, where we found an alarming lack of knowledge, including people thinking that the APR was the be-all and end-all and not realising that the total package could be dramatically more expensive. The motion addresses that problem.

Justin Tomlinson: My hon. Friend is spot on, and all too often we find that consumers are simply not equipped to make informed decisions.

It is suggested that total cost caps are the solution, and I support the principle. Surely there is an unequivocal case for saying that for borrowing X amount, there should be an absolute limit on the sum to be paid back. We should protect consumers from the very worst.

The motion is 99% there, but the amendment expresses a slight hesitation. There is still a nervousness, because whatever we do will have consequences. When organisations such as Consumer Focus and MoneySavingExpert, which is run by Martin Lewis, say that we must be mindful of possible consequences, it is right and proper that we should take a measured and detailed look at the issue to ensure that the consequences are thought out. The evidence is inconclusive—

Bill Esterson (Sefton Central) (Lab): I take the hon. Gentleman's point about the consequences, but the evidence from Members on both sides of the House suggests the problem is with the difference between voluntary and mandatory regulation. Unless enforced, the regulation just will not happen.

Justin Tomlinson: That is why I support the principle, but—as the hon. Member for Walthamstow said—it is essential that we make things better, not worse. We should not rush in if we have not considered all the consequences. However, we need to act urgently and, crucially, with a desire to find a workable form of total cost caps. For those people who say that additional regulation would push people into the hands of the illegal loan sharks or that extra action will damage our case for protecting vulnerable consumers, I point out that we have just seen significant changes to the credit card industry that have not affected people's access to credit cards. We should not fear that the market would collapse.

[Justin Tomlinson]

I urge the Minister to look into the sales techniques of doorstep lending. They include nudge-nudge techniques that encourage people to take on expensive, long-term debt. Such lenders concentrate on having relationship managers who go into the homes of the consumers. They argue that that helps them to assess whether the consumer can afford to borrow more money. The relationship manager has a cup of tea and a chat. They might ask, "Christmas is coming up, have you made plans for that?" The consumer says that her children want the latest expensive toy, and the representative offers to lend some money—at a high cost. The consumer is nudged into a long-term cycle of debt, and that is one of the most important areas to consider.

My flagship issue is financial education, which is included in the motion. I launched the all-party parliamentary group on financial education for young people on Monday, with my hon. Friend the Member for Chippenham (Duncan Hames) and the hon. Member for Walthamstow as vice chairs. Some 171 MPs have signed up and it is supported by the Personal Finance Education Group and Martin Lewis of MoneySavingExpert. I am grateful for that support, as it is unbelievably important that we have savvy consumers who understand that they can shop around and are equipped to make informed decisions.

There is an incredibly strong case for making the costs more transparent, and it is another reason why total cost caps are so important. All too often, people judge a debt on the APR. There are many issues with high APRs, but there are extra charges as well, which is why the crude cap on interest rates alone was previously rejected. There should be a cap on everything. That would also allow consumers to make good comparisons.

I know that some hon. Members will criticise organisations such as Wonga.com, but I have to give it some credit, because of all the organisations that have lobbied me, it is the only one that has said, "We will work with whatever changes are put in place." That should mean clear, understandable and transparent costs—I would support that. However, we cannot just look at APR. Part of Martin Lewis's financial training for me was the following good example: if someone takes out £3,000 on a credit card at the age of 19 on a typical APR of 17.9% and makes only the minimum payments, they will not clear that debt until they are 60 years old. Although the 17.9% does not look too bad, there are long-term implications, which again supports the principle of total cost capping, showing all the costs, including what it will really cost over the lifetime of the debt.

I fully support any measures to give greater access to credit unions. Being conscious of the time, I will simply bow to my hon. Friend the Member for East Hampshire (Damian Hinds) for championing this subject in Parliament. I urge the Minister to take that on board, as well as the need to make available greater access to social funds, in particular by allowing greater flexibility in emergencies. All too often, the need to acquire debt is a result either of consumers wanting something now rather than later or of sudden changes in circumstances. We need to be in a position to help out those in the latter situation.

Finally, I want to address the principle of the savings culture in this country. The hon. Member for Walthamstow talked about how we have the lowest savings rates and the highest levels of debt. That is this nation—we have an insatiable appetite to buy now and pay later. Over the long term we need to change that, because where possible people need to have a savings buffer for changes in circumstances. So I urge the Minister to consider all the different options proposed. We have cross-party support for the principle. I am sorry that there is an amendment to the motion, because it will take up time in the Division Lobbies, but we are 99.9% there. The question is how we do this. However, we need to consider all the consequences, and I have every faith that we will be able to make a difference for the people who need our help the most.

1.42 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I rise to speak in favour of the motion. As a former policy officer for Citizens Advice Cymru—before my election to this place—I was able to see how the nature of the advice issues dealt with by the citizens advice bureaux in our communities changed dramatically during the second half of the previous decade. Although welfare benefit issues had previously been the staple diet of bureaux, personal debt cases rapidly became the largest single issue dealt with by advisers, totalling well over a third of all client issues. Citizens Advice client figures offer a detailed insight into the social problems faced by communities across the UK, and the latest quarterly figures for Wales are sobering. Total client inquiries over the year totalled nearly 390,000—a year-on-year increase of 19%, of which debt-related cases totalled more than 134,000, which was an incredible 37% of all cases and an increase of 14% on the previous year.

There is always a lag between the true human cost of any recession and a return to economic growth, and things will certainly get much worse before they get better. The current fiscal policy of the UK Government will, I am afraid, only exacerbate matters. The economic record of the previous UK Government has rightly been criticised for the manner in which the public finances were allowed to run out of control, but the manner in which consumer debt was allowed to rocket has received little attention. Consumer debt in the UK lies at around £1.4 trillion—a sum equivalent to 100% of the UK's total annual economic output. To put this in context, in 1997 combined personal debt stood at about £500 billion. It is an incredible figure that will be a significant economic headwind for the future.

There is a great social crisis facing communities across the UK, and the UK Government cannot stand idly by. We need a comprehensive solution involving regulation of the high-interest lending market. However, central and devolved Governments also need to work together to put in place a package of support and educational services to deal with acute debt problems as well ensuring that financial capability is increased among the wider community. We welcome the decision of the UK Government to regulate the excessive interest rates of credit and store cards, but there are no plans to intervene in the high-interest lending market involving payday loans, pawnbrokers, doorstep lenders, mail-order cheque-cashing agencies and high street alternatives such as Oakam.

My predecessor, Adam Price, introduced a ten-minute rule Bill—the Interest Rates (Limits on Charges) Bill—that would have introduced a capping structure with the aim

of achieving the ambitions of the motion we are debating today. People who rely on these sorts of products are often extremely vulnerable and on low incomes, and face interest charges of up to 2,500%. It is exploitation at its worst, and the lax regime that currently exists in the UK is indefensible. These sorts of business models were pioneered in the US, but in the land of the free there has been a backlash: 15 states have prohibited payday lending, and 35 states have introduced interest caps. Furthermore, in Europe, as we have heard, 14 countries have some sort of capping structure.

I would like to touch briefly on the issue of debt management plans, and the need for the sector to be subject to robust statutory regulation, including—at the very least—a cap on fees for the debt advice they offer, and subject to an independent audit funded by themselves.

Nia Griffith (Llanelli) (Lab): Why is the hon. Gentleman's party attacking Communities First, which has done some very good work on providing debt advice? Why is it suggesting that it should no longer receive funding from the Welsh Assembly Government?

Jonathan Edwards: I am afraid that I have no idea what the hon. Lady is talking about—perhaps we can discuss it another time.

One of the growth industries of the recession involved advice sharks, who exploit the human misery caused by the downturn. On a fee basis, individuals and families find themselves signing up for expensive debt management schemes, which only increase their problems. It is estimated that in 2010 companies would have amassed fees in excess of £250 million, often on an up-front basis and with consumers encouraged to take out further credit to pay for these fees. These matters are being considered as part of the consumer credit and insolvency review. However, we need urgent action now to protect consumers, and I would urge Ministers to act with haste.

To close, I would like to congratulate the Welsh Government on some of their exciting initiatives. The creation of the Welsh financial education unit is a step towards ensuring that future generations are more financially literate. The all-Wales lending unit is at the forefront of the fight against illegal lending in my country, and an all-Wales coverage of credit unions to provide alternative affordable lending is much to be welcomed. However, I would urge more ambition in my own country—by rolling out interest-free JAK-banking-like products in our credit unions, and through the creation of a national money advice service made up of existing providers and based on the excellent money advice and budgeting service in the Republic of Ireland.

1.47 pm

Andrew Bingham (High Peak) (Con): I support wholeheartedly the principle of this debate. As the world changes, so does the way we do many things—and none more so than the way we can borrow money. In days gone by, there were usually only two ways of borrowing money—through a bank or, for a mortgage, a building society. Things are very different nowadays.

Anyone who has spent time watching daytime television—I had the misfortune to do so when I was ill several years ago—will be struck by the number of adverts offering quick and easy solutions to money shortages. They are everywhere, whether it be the array of "where there's blame there's a claim" law firms offering redress by way of riches, which is something about which I have a strong view—but that might be for another day—cash-for-gold schemes or guided bankruptcy proceedings to escape debts that are already out of control. However, the most prevalent are the offers of loans. Pictures of happy smiling families delighted by the consolidation of their debts under increasing finance are rife. Loan companies with their own television channels promise untold happiness if a person calls them to borrow more and more money. Indeed, some adverts only just stop short of saying, "You can now borrow enough money to get completely out of debt."

The latest method of debt marketing is the provision of payday loans, lending money at over 1,000%, and companies offering this type of loan are flourishing—they are everywhere. As the motion states, £7.5 billion was lent to low and middle income earners in 2008 alone. It is easy-to-obtain credit, but is frighteningly expensive to service the debt. These company names are becoming as familiar as the old banks and building societies, as they appear not just on televisions but on premier league football shirts, advertising hoardings up and down the country and in various newspapers. I am sure that we have all received many e-mails offering us loans.

I trust, Mr Deputy Speaker, that you will be unlikely to need a payday loan, but if you did and you did a Google search for UK payday loans, your search would yield some 9.8 million hits. If you wished to spare yourself the inconvenience of a credit check, you would still have almost 2 million hits from which to choose.

"Neither a borrower nor a lender be" was, in days gone by, an idealist maxim, but most of us incur debt in some form or another over our lives. At this point, I will resist chiding Labour over its policies on national debt. The ability to repay should be the first consideration for anyone entering into any credit agreement. For the man in the street, however, that is becoming harder and harder to do as the lending methods become ever more varied and complicated. Working out exactly how much has to be paid back on any loan is becoming more and more difficult, as is being able to compare it with other offers.

Karl Turner (Kingston upon Hull East) (Lab): I agree with an awful lot of what the hon. Gentleman is saying, but I wonder whether he shares my concern at the Government's scrapping of the financial inclusion fund. Around 50% of the advice that my citizens advice bureau gives is on debt management, and it tells me that that will stop as a direct result of the Government's policy.

Andrew Bingham: I thank the hon. Gentleman for his intervention, but I think that we are trying to get some cross-party agreement here. Can we try to deal with the issue of debt and work together on this instead of indulging in political arguments?

I would like to talk about financial education in schools, which my hon. Friend the Member for North Swindon (Justin Tomlinson) has also mentioned. A good education teaches children about the past and prepares them for their future. In a world where debt has become vital to so many important milestones in life, it is right that we should help our children to

[Andrew Bingham]

understand how to budget and how to negotiate their way around credit agreements. I was at the launch event for the all-party parliamentary group on financial education for young people, and I would like to pay tribute to those who set it up. A huge number of MPs were present. Teaching financial matters in schools could be the saviour of many people in years to come, but it will not help adults today. At the launch of the all-party group, Martin Lewis of moneysavingexpert.com spoke with eloquence and passion about his concern at the mountain of debt that people are accumulating, unaware of the consequences of their actions and with little or no comprehension of their total debt liability. Mr Lewis's concerns are supported by a constituent of mine in the High Peak, who wrote to me about a loan that he took out eight years ago. After eight years of making all payments in full without a single default, he has still not paid back a penny of the principal sum. Indeed, to discharge the loan after eight years, he still had to pay more than 100% of the original amount that he borrowed.

I am not an advocate of legislating at every opportunity. I believe that, through education, we can help people to make informed choices. I support the amendment urging regulators to consider putting in place certain regulatory powers, which would give them the chance to act. However, we too might eventually have to consider taking action against those lenders who operate in a way that is unfair and exploitative, and who offer seductive products in a way that does not explain their consequences for those who sign up to them. A requirement to publish a total lending cost figure for each loan, which could be used as a yardstick by which a lender's offer can be judged, is in my view a sensible step. In that way, the high-cost credit lenders would flounder because the market would send them down, and the sensible, sustainable methods of credit and the people who offer them would survive, for the good of all.

1.53 pm

Mrs Jenny Chapman (Darlington) (Lab): The United Kingdom is lagging behind on the regulation of consumer credit. The UK's poorest borrowers pay the highest price for credit in Europe. Fifteen American states have now dealt with payday loans, and the cost of credit is also capped for all US servicemen and women. Even President Bush could see that his soldiers needed protecting from excessive interest and administrative charges. In the United States, the Centre for Responsible Lending estimates that credit regulation saved consumers $2 billion in 2009. We know that payday loans frequently leave borrowers unable to pay other debts.

Much is made by the industry of the possible unintended consequences of regulating payday loans, but research such as that from the university of North Carolina shows that restrictions on payday loans had no significant impact on the availability of credit for households in North Carolina. In fact, more than twice as many former payday borrowers reported that the absence of payday lending had had a positive rather than negative effect on their household. The state's regulation helped more households than it harmed.

Bill Esterson: My constituent, Mark Billard, wrote to me recently. He said:

"Most US states and European countries have a legal limit to stop lenders charging whatever they want."

That point has also been very well made by my hon. Friend. Does she agree that the danger of the amendment is that it would reduce the chances of such legal protection for those most in need of help?

Mrs Chapman: My objection to the amendment is that this is a Back-Bench debate, and it should be an opportunity for Back Benchers to express their views.

The New Economics Foundation published a report in 2008 that included evidence that restricting payday loans did not push people into illegal borrowing. Rather, the market for affordable loans actually strengthened in such circumstances. In America, small mainstream loans for less than $600 became more widely available following a clampdown on payday lending, as aggressive marketing by payday lenders disappeared.

We have heard it argued that caps on credit in France and Germany have led to reduced access to credit for the least well-off, but that argument rests on evidence from a narrow base of research. In fact, restrictions on access to all kinds of credit vary between Britain and other European countries. It is argued that borrowers know what they are doing and should jolly well live with the consequences, but the individuals getting into trouble with these loans are desperate. They are not in a position to shop around. Their problems, as well as their credit, are compounded until they are no longer able to cope.

Mr Richard Bacon (South Norfolk) (Con): The hon. Lady is making an interesting case. Does she agree that borrowers often do not know what they are doing, and that it is our job, as elected Members, to protect not the moneylenders but our constituents? Does she also agree that the motion, for which I have a lot of admiration, and the amendment suffer from one problem—namely, the assumption that the regulator will be able to solve the problem? Does not the evidence from a whole variety of regulators, including Ofcom, Ofgem, Ofwat and the Charities Commission, suggest that regulators are far too often wet and useless? Would it not be much better to put these powers—which should be draconian, but exercised with the judgment of Solomon—in the hands of a feisty Back Bencher? May I suggest the hon. Member for Walthamstow (Stella Creasy) for the role?

Mrs Chapman: The only kind of regulation that is really going to get to the nub of the problem is the one that caps the cost.

To argue that high-cost loans are necessary simply cements the market dominance of high-cost lenders and, worse, cements endemic poverty. The industry is seeking asylum in the under-regulated UK market, having been forced out of certain American states and parts of Europe. Other countries are getting a grip on the problem. The debt industry is resisting regulation, claiming that it has the best interests of its customers at heart. I am afraid that that simply will not wash.

The motion before the House does not propose to outlaw short-term lending or impose a cap on APRs. It simply asks the Government to agree to curb the worst excesses of the credit and debt industry. The Office of Fair Trading recognises that there are problems with this market, and it is beginning to regulate more closely. But the regulation that counts, the one that will actually

make a difference, is the one that cuts the cost. There are many problems with this market, but the biggest problem for consumers is the spiralling cost of the loans. Loans are rolled over and charges are added until they become not an occasional crutch but the only means of getting by. Consumers become trapped in a cycle of debt. How different this reality is from the fun, free-and-easy way in which high-cost lenders and debt management companies market their products.

My hon. Friend the Member for Walthamstow (Stella Creasy) has explained carefully that the motion attempts to bring about a cap not on the APR but rather on the total cost of credit. The motion does not prescribe a particular cap or propose anything that might cause credit to be unavailable to those who need it. The motion has been carefully crafted to bring about a limit on the overall costs. It does not propose a requirement for a new regulatory body and it will not close down short-term lending.

The motion does not condemn debt. Debt is a necessary part of modern life. It enables us to get married, to go to university and to buy a house or a car. It gets many people through life's emergencies, such as a broken washing machine or unexpected travel, but it is not right that those least able to afford high charges, those who are in desperate situations and unlikely to shop around, should have to pay the most.

We know that people are deliberately targeted by high-cost lenders in their marketing and are enticed into taking loans they cannot afford. These are the people for whom the normalisation of high-cost lending has the cruellest consequences. Time is up for the worst of these expensive loans. It is up to this House to tell the Government it wants to change the rules.

Finally, I would like to pay tribute to the sterling work of my hon. Friend the Member for Walthamstow on this issue. She has demonstrated how the at times confusing procedures of this House can be effectively used to bring forward an important issue and, if good sense prevails, to make a difference. Her tenacity goes to prove that it is always a mistake to confuse gentleness with weakness.

Our concern for this issue is not borne of soft naivety, but from seeing first hand the effects on the lives of our constituents of these exploitative charges for borrowing. I commend this motion to the House.

2 pm

Mr Robin Walker (Worcester) (Con): I beg to move amendment (a), to leave out

"alongside measures to increase access to affordable credit, regulatory powers that put"

and insert

"measures to increase access to affordable credit; urges regulators to consider putting".

The amendment stands in the name of more than 20 other Back Benchers, and I am grateful to the many distinguished Back Benchers from different parties for their support and to the Backbench Business Committee for the opportunity to speak in this debate.

I move this amendment in support of the excellent motion of the hon. Member for Walthamstow (Stella Creasy), and I congratulate her on the passionate campaign she has led to secure this debate and on the meticulous research that underpins her motion today and her speech. I support her campaign for better financial education, and I was delighted to become a founder member of the all-party parliamentary group on financial education for young people, along with her and many other Members, when it was launched by my hon. Friend the Member for North Swindon (Justin Tomlinson), who has seconded this amendment.

We are debating a motion that I personally would be prepared to support in its entirety, but which, through a small change, I hope will win even greater support from both sides of the Chamber. The purpose of the amendment is to set forth clearly the opinion of this whole House—and in particular of Back Benchers from every party—on such an important matter and to support the call for action on the cost of credit and the means by which the hon. Lady has called for action with a range of caps, but also to clarify that the answer is not necessarily new regulatory powers. I move this amendment as a result of concerns raised with me both by constituents and by fellow Back Benchers that one aspect of the motion could see it defeated were it left unchanged. I think this is too important a matter to allow that to happen.

The amendment protects the wording that calls on the Government to increase access to affordable credit. It is absolutely right that the Government should act in this area; that is a point from which I think few would demur. I have had some involvement in two significant initiatives that the Government are already taking on this front. They are initiatives that benefit many people in my constituency of Worcester. I have spoken in this House before about the importance of the move to bring credit unions into the post office network, and I know that the Black Pear credit union in Worcester is anxious that this measure be brought forward as soon as possible. Like the hon. Lady, I have campaigned on my high street, in my case leafleting for this credit union. I am glad to be able to say that Labour councillors in Worcester do the same. I would like to take this opportunity to remind the Government of the urgency of the need for progress on this matter and of the revitalising effect that this step could have for both our credit unions and our post offices.

The second organisation that I wish to mention in this context is My Home Finance, whose shop in Worcester I was delighted to open just before Christmas. It is supported by local housing associations including Sanctuary Housing, Nexus Housing and Worcester Community Housing, and it is backed by the Department for Work and Pensions and the Royal Bank of Scotland. This great new initiative provides loans directly to people's bank accounts at an APR of 29.9%, compared with typical doorstep loans of 272% or loan shark rates with APRs in the thousands. Moves such as these that are already under way reflect the priority which the Government are already giving to increasing access to affordable credit, but I have no reservations in calling on the Government to do still more.

What I and many other Back Benchers on the Government Benches feel uncomfortable about supporting is the call to create new regulatory powers at this moment in time. We will hear many arguments in this debate about the effect of capping rates. Some will argue, as I do, that some form of flexible capping is not only attractive but morally right, while others will warn of the perils of driving people out of the regulated

[Mr Robin Walker]

market altogether and into the hands of loan sharks. The hon. Member for Walthamstow has suggested an elegant solution in her form of words in the motion, taking account of the need to balance access with price and providing a degree of flexibility, but even this formulation requires the Government to introduce new regulatory powers.

Many of my colleagues on the Government Benches are allergic to increasing regulation, and all of us would like to see better, rather than more, regulation accepted as a general principle of government. I and many other Members fear that for the Government to create new regulatory powers in this area at this moment could be a mistake. To regulate without a very careful analysis of the market would carry great risks and, as so often happened in the past, such regulation could have unintended consequences.

Mr Chuka Umunna (Streatham) (Lab): I noted the wording in the hon. Gentleman's amendment. If we are to introduce further regulation, is now not the time to do it, given the Government's current big reforms of financial services in general in this country, some of which I support? I accept that regulation is not necessarily always the answer, but one of the problems with the financial services sector is that it can be very short-termist and has to take account primarily of maximising shareholder value through dividends and increasing share prices. To my mind that is precisely why, in this case, we need to have regulation. Perhaps the hon. Gentleman can enlighten us about why he thinks the sector can in this respect voluntarily bring itself to heel.

Mr Walker: I am very grateful for that intervention as it gives me time to make the next part of my speech, which is on that very subject. I am certainly not calling for self-regulation in this area. I am calling for the regulators to look at this.

It is important to note that the Government have announced plans to create a new consumer protection and markets agency, whose focus will be squarely on protecting individuals and consumers. That will be a refreshing change from the vast and fragmented scope of the Financial Services Agency. Such an agency would be ideally placed to consider this matter and to work closely with consumers and the industry to find the best way to deliver a range of caps on prices, balancing the needs of access to credit with those of price. Without that regulator in place, I believe it would be a mistake to create new regulatory powers subjecting such an important matter to the change and disruption inevitably entailed in a handover of responsibilities: far better that we clearly indicate the will of this House that regulators must consider these matters and take them seriously.

I return to the fact that I support this motion. Like many other Back Benchers of all parties, I want to see action taken to cap the cost of credit. I am deeply concerned about the levels of interest charged for payday lending and want to do everything I can to protect my constituents from loan sharks.

Rachel Reeves (Leeds West) (Lab): The constituent who came to see me at my surgery last week because she could not sleep at night because of the payday loans and the interest rates charged urged me to vote for today's motion. She will see no benefit from urging the regulator to consider introducing caps. She will see benefit only from those caps being introduced.

Mr Walker: I am afraid I disagree. The caps have to be introduced in the right way. The best way for the Government to take action on this is to drive forward access to credit, improve financial education and encourage a genuinely competitive market in affordable credit. I support the suggestion that a range of caps should be given serious consideration but, in common with many other Back Benchers, oppose the creation of new regulatory powers at present. By accepting my amendment, the House can send a clear message of intent without sacrificing this worthy motion to complex arguments and ideological disputes on regulation. I believe that the amended motion would represent a clear expression of Back-Bench opinion from across the whole House, and I therefore commend it to the House.

2.7 pm

Anas Sarwar (Glasgow Central) (Lab): I congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on securing the debate. I agreed almost entirely with the comments of my hon. Friend the Member for Darlington (Mrs Chapman) apart from the use of the descriptive term "gentleness". I think the emotions of passion and commitment were more apparent in the contribution of my hon. Friend the Member for Walthamstow.

This is a timely debate, because we are still experiencing the effects of the worst global financial crisis in over 70 years, which plunged the global economy into its deepest recession. As a result, the finances of households throughout our country, especially those on low incomes, are balanced on a knife edge. Four out of 10 people in the UK are worried about their current level of debt, and with household debt set to increase according to the Government's own Office for Budget Responsibility, we need to do all we can to make sure that they do not go over the edge due to irresponsible and unfair lending.

I am a supporter of both the Consumer Credit (Regulation and Advice) Bill and today's motion, because they seek better regulation of unfair lending practices in the marketplace, where disproportionately high interest rates or charges, and sometimes a combination of both, can be levied. Such a move would bring a welcome stop to short-term lenders charging wholly excessive APR rates, which people are often so shocked to read about. The highest I have found was on an infamous website only a couple of days ago that was providing a very modest APR of 4,200%. People often say that it is unfair and misleading to quote annualised rates for short-term credit, but even if we break it down to a weekly or monthly rate, they are by no means cheap. We also have to question what happens when a person experiencing financial hardship finds him or herself in an even more difficult situation and cannot make the agreed repayment date.

No one is arguing for credit to be withheld from people who need it; what we are calling for is responsible lending, coupled with protection for vulnerable consumers, and an open and fair market. It is important not to single out short-term credit when dealing with unfair practices, but to deal with the market as a whole. That is

another reason why I support the motion, as it encompasses all forms of lending and would include, for example, credit cards and store cards, the regulation of which the Government have already committed to. Quite significantly, what we are calling for would bring the situation in our country in line with what is increasingly becoming the position in other countries around the world, for example those in Europe and the United States, and even in some parts of India.

I am also extremely pleased to see that the motion addresses the important issues of financial literacy and financial exclusion, which are the other half of the problem. In a recent Westminster Hall on bank account provision in Scotland, I illustrated the problems that financial illiteracy and financial exclusion can create. In a former life I was a dental practitioner—I am a glutton for punishment; what can I say? Our practice employed a new dental nurse who had no credit history at all. She did not have a driving licence, she was straight out of school and she had sadly lost her birth certificate, as her parents had had a messy separation. She was not able to open a simple bank account. Instead, every week she had to take her cheques to one of the local pawn shops and pay £3.50 just to get her weekly salary. That is a simple story, but the same situation affects a great number of people across the UK, and when they find themselves in need of credit, they often turn to short-term lenders. According to research, 5 million to 7 million people are denied credit either because they do not have a bank account or because they have no credit history.

I admire credit unions, and I am a great believer in their work. Indeed, Glasgow has more credit unions and members than any other city in the United Kingdom, with 34 credit unions in total and more than 120,000 members, and financial asset portfolios of more than £170 million. Credit unions are grass-roots organisations that are truly community-led. However, what I admire most about them is that they actively work to improve the financial literacy of their members and tackle financial exclusion. It is in that context that they have an invaluable role to play in our country, because not only can they offer accessible financial services, but they could provide some of the financial education and debt management advice that so many need. I hope that the Government will look to invest more to expand the work of credit unions in the coming months.

The Consumer Credit (Regulation and Advice) Bill and the motion before us represent an excellent opportunity to show that, during these tough economic times, we will look not only to protect the most vulnerable, but to bring about a cultural change in this country in our approach to savings and debt. I sincerely hope that hon. Members in all parts of the House give the motion and my hon. Friend the Member for Walthamstow the support that they deserve.

2.12 pm

Lorely Burt (Solihull) (LD): Let me begin by congratulating the hon. Member for Walthamstow (Stella Creasy) and the excellent way in which she has promoted her cause today. Everyone here wants to see a fair and accessible system of credit provision. No one in the Chamber today wants to see loan sharks or other unscrupulous lenders continue.

The coalition Government have begun a consultation on the best ways of achieving that. Personally, I am absolutely in favour of some form of regulation. There is no question about that. However, the problem is that calling on the Government to adopt caps now would prejudge the outcome of the consultation, and I should know, because I withdrew my private Member's Bill on unfair charging for unauthorised overdrafts, as, although the Government were minded perhaps to support it, continuing with it would have prejudiced the outcomes. Therefore, although caps would ostensibly seem to be a reasonable way to stop excessive charging, we should examine them in the light of the evidence brought forward by the charities that support vulnerable people.

I have spoken to debt advice agencies and charities that do not think that caps will work. Some warn that the imposition of caps would remove many lenders from the market and drive people who are desperate for cash into the arms of illegal loan sharks. The chairman of the Consumer Credit Counselling Service has said:

> "Interest...caps can harm people seeking this type of credit more than they help them."

Another organisation, the Centre for Responsible Credit—one that I had not heard of before—has written to me to say that it disagrees, bringing to light a new European study. All those points must be looked at objectively. We have to think with our heads, not our hearts.

David Rutley (Macclesfield) (Con): My hon. Friend makes some important points, and I completely understand the strength of opinion and the aim of trying to ensure that we have affordable credit. However, when I questioned Martin Lewis during his appearance before the Treasury Select Committee, he said:

> "The main thing we could do to improve your regulations—to stop mis-selling, to have better informed consumers, to have more responsible borrowing, to penalise irresponsible lenders—would be to teach every child in school how finances work."

We need to get the balance right in this debate when it comes to education, not just about credit, but about the importance of savings. Does she agree with those sentiments?

Lorely Burt: Yes, I totally agree with my hon. Friend.

Many Opposition Members who have spoken in this debate are new, so I wonder whether I could gently remind them that the previous Government launched three inquiries into the problem, all of which cautioned against using caps.

Rachel Reeves: My hon. Friend the Member for Walthamstow (Stella Creasy) has explicitly set out in her motion that we should have a cap not on interest rates, but on the overall cost of credit, so what the hon. Lady is talking about is not in the motion. Does she recognise that?

Lorely Burt: I thank the hon. Lady for her intervention, but no, I do not entirely recognise that, because I am not sure that she is distinguishing between what the two actually mean. I am not against what the hon. Member for Walthamstow is promoting, but I question her position. After 13 years—13 years in which her Government gave the matter due consideration and in which her party had an unquestionable desire to help—she seeks to introduce something now, in the middle of a Government

[Lorely Burt]

consultation, when she knows that the Government cannot commit themselves in case they prejudice the consultation.

Stella Creasy: Will the hon. Lady give way?

Lorely Burt: I will, but the hon. Lady should please be brief.

Stella Creasy: I just want to check that the hon. Lady understands that this is a Backbench Business Committee debate, so in theory Back Benchers could take a position that is different from that of the Government. If the Government were concerned about the consultation, they could abstain from the vote, thereby protecting themselves against any question of judicial review, whereas Back Benchers are free to express an opinion. Does she not agree?

Lorely Burt: Back in the real world, we do not want to abstain. We—the Government—want to support her proposition, so I am disappointed that she is taking the view she has.

We cannot accuse the Government of doing nothing. This week the consumer credit directive came into force, enforcing a 14-day cooling-off period. We have also increased the money going into catching, prosecuting and imprisoning loan sharks—these pariahs who feast on the misery of the desperate. The illegal money-lending teams are doing a great job and have been very effective, and we have also launched the consultation—the one that the hon. Lady does not seem to be interested in acknowledging.

Mark Durkan (Foyle) (SDLP): Will the hon. Lady give way?

Lorely Burt: I am sorry, but I cannot any more.

I, too, am impatient to see help for vulnerable indebted people, but there are other things that we could be doing. When the Financial Services Authority and the Office of Fair Trading merge into one regulator, one option could be to give that newly formed body the power to introduce caps if it felt them to be appropriate. Another option that I should like my hon. Friend the Minister to consider is the use of the post office network as a method of access for credit unions, especially as the Government have halted Labour's closure programme.

The amendment, which I tabled along with the hon. Member for Worcester (Mr Walker) and other Back Benchers, retains all the good aspects of the motion without committing the Government to any course before the end of the consultation. I urge Opposition Members to support the amendment, so that we as a Parliament can work together to end this scourge, with our heads as well as our hearts.

2.19 pm

Teresa Pearce (Erith and Thamesmead) (Lab): Thank you, Mr Deputy Speaker, for allowing me to contribute to this important debate. I also thank my hon. Friends the Members for Walthamstow (Stella Creasy) and for Darlington (Mrs Chapman) for tabling the motion.

Let me begin by putting the record straight. The hon. Member for Solihull (Lorely Burt) said that my hon. Friend the Member for Walthamstow was not interested in consultation. In fact, she took part in this consultation.

Incomes in my constituency are, on average, lower than those in other parts of London. Unemployment is higher, and the dole queue is lengthening. My constituents are only too well aware of the exploitative practices of the payday and door-to-door credit lenders, for they are the target audience of firms hoping to cash in on other people's misery. I believe that now is exactly the right time to propose a cap on the cost of credit. The recession means that mainstream banks are not lending, everyday costs are rising, wages are being pushed down, and the ranks of the unemployed are growing. Increasingly, payday and home credit lenders are becoming the only option for people who are struggling to make ends meet, but that option comes at a terrible price—a price that people may be paying year after year after year.

The speech of the hon. Member for North Swindon (Justin Tomlinson) reminded me of an experience that is not part of my casework, but an actual case of mine. I recall that, when I was 21, my three-year-old daughter and I spent our first Christmas in decent housing after three years living in a slum dwelling with no bathroom. I wanted to buy a Christmas tree and some decorations, which would have cost about £10. It might as well have been £100, because I did not have £10.

I have to ask myself this: if a door-to-door lender had offered me a £10 loan, would I have taken it? I probably would. Would that £10 have involved me in years of loan payback? It probably would. Would that have become a spiral of debt which would have meant that I would not be here now? Yes, it probably would. When people are living from week to week to the edge of every pound and penny, their lives can be thrown into crisis for the want of a new pair of shoes. It is such tipping points that can send their lives up or down. It is the ultimate game of snakes and ladders. I believe in giving people a ladder, and I think that the motion provides a key rung to help people out of the despair that comes with endless debt.

Oakam and Wonga.com have stores and billboards across London offering payday loans, longer-term loans and emergency loans to people with poor credit ratings. The rates on those loans are staggering. Many of the companies that provide those loans hire only staff with second languages so that they can cynically and specifically target immigrant communities.

It is the most vulnerable people who would be helped by a cap on the cost of credit. One in 10 UK payday customers has an annual income of less than £11,000, and according to the UK's largest debt charity, the Consumer Credit Counselling Service, one in eight of the people who asked it for help in the first half of last year were receiving jobseeker's allowance. I believe it is our responsibility to legislate, on behalf of those who sent us here, to protect people in such circumstances, and I hope that today we will see the political will that is necessary if we are to crack down on the companies who exploit them. I support the Consumer Credit (Regulation and Advice) Bill tabled by my hon. Friend the Member for Walthamstow, and I hope that it will be given its Second Reading in the House tomorrow. It

seeks to improve access to more affordable versions of credit through, for instance, credit unions and the post office network.

I am pleased that the motion recognises the problems of financial exclusion and the lack of financial and debt management education in this country. Along with more than 200 other Members, I recently joined the all-party parliamentary group on financial education for young people, which was mentioned earlier by the hon. Member for High Peak (Andrew Bingham). I hope that, through the work of that group, we can improve financial education in schools, and I hope that all its members will support the motion.

While these measures may help, their impact will be minimal unless a range of non-competitive caps on credit in the unsecured lending market are also introduced. I urge Ministers to listen carefully to the debate, to recognise that the high-cost credit market is exploitative legal loan sharking, and to step in, do what Governments should do, and regulate accordingly by capping the cost of credit for the benefit of the most vulnerable people in constituencies such as mine and many others.

2.24 pm

Damian Hinds (East Hampshire) (Con): If hon. Members will forgive the pun, may I say that it is encouraging that there are such high levels of interest in this Chamber in this subject, particularly among the new intake? I pay tribute to the hon. Member for Walthamstow (Stella Creasy) and my hon. Friend the Member for North Swindon (Justin Tomlinson) for their interest, which has been shown not only in this debate, but in the hon. Lady's private Member's Bill and the Westminster Hall debate, and in my hon. Friend's institution of the all-party group on financial education for young people. I commented at the time that, as so many people were crammed into the room, he had managed to make financial education for young people the new rock and roll.

Almost all of us in this Chamber, wherever we are on the spectrum of belief in free market economics, conclude that something else needs to be done to curb the worst excesses in the credit market. A number of us also have examined other countries in the world, both those in the European tradition, such as France, Germany and Italy, and those in the Anglo-Saxon tradition, such as Australia, Canada and most of the states in America, and asked, "Can they all be wrong?" Perhaps instead they are on to something in having some sort of usury ceiling and sensible credit limit.

Any approach to this matter has to cover all the aspects of education, advice and this country's culture about debt, must include smart regulation that protects the most vulnerable, and must provide for proper alternatives, such as credit unions. They, in particular, have an important role to play, not only in providing affordable credit, but in encouraging the savings that a number of hon. Members have discussed.

There are a couple of problems with the motion. First, it refers to various "caps on prices" without saying what that means. It is not clear whether that would be a cash or a percentage cap. When lenders talk about the total cost of credit, they normally refer to a cash figure, but I assume that the hon. Member for Walthamstow was referring to a percentage.

Mr Umunna: Does the hon. Gentleman accept that the fact that a definition of the cap is not given would allow the regulator some form of flexibility in the event that it is required to take action?

Damian Hinds: I am grateful to the hon. Gentleman for that intervention and for being my minute man. That does create extra flexibility but we do need to know what we are talking about. A number of hon. Members have drawn a distinction between an interest rate cap and a cap that includes interest and other charges—that is what the annual percentage rate is; APR includes some other charges. It does not include behavioural charges, default charges and so on, and I do not understand mathematically—I am happy to take an intervention on this for a second minute—how they could be factored into a general cap that would apply to credit products extended to everybody, given that, by definition, behavioural and default charges are incurred only by some customers.

Another problem with the motion is its emphasis on a lack of competitiveness, because that is not the problem in this area. I do not wish to be too pernickety, but I do not think that "many" lenders can be in a "near monopoly" position, as the motion suggests. In many ways, stimulating competitiveness further might end up being counter-productive, but in the three minutes available there is no chance of our discussing that aspect.

This country is both blessed and cursed with a very diverse and dynamic consumer credit market. We are blessed because of the variety, where there is a product to suit just about every need in the market. Even payday lending can be very rational; it could be very rational for someone trying to avoid current account bounce charges to take out a payday loan instead. Very few people are excluded from the legal and, therefore, regulatable market altogether.

We are cursed by this market because of the ubiquity of the messages about credit that people are bombarded with; the emphasis on what people want to borrow, rather than what they need or can afford to pay back; and the complexity involved. Even very highly educated people find it difficult to understand every product and every aspect of every product. I am sure that some Members of this House struggle, as I do, with understanding some aspects of some of these products.

That complexity highlights one of the great difficulties with introducing new regulation, because companies make money in this market in lots of different ways. Rent-to-own companies, such as BrightHouse, which has been mentioned more than once in this debate, would almost certainly not be curtailed by any restriction on the cost of credit, because so much of the money they make is on the sticker price, relative to Argos or Currys, rather than on the charge for credit.

I am running out of time already, so I had better hurry up. The experience in America suggests that where there is effective regulation of cash lending, other sectors such as rent-to-own or good old-fashioned catalogues are stimulated, and if there is a clamp down on interest rate charges, that will stimulate growth in behavioural charges and so on. Everybody in this House probably agrees that a blunt, general, across-the-board APR cap is not a good idea, so the challenge is whether we can come up with a regime that curbs the worst excesses of the market without putting entire segments

[Damian Hinds]

and entire product categories out of the market, and that protects the most vulnerable. We need a regime that does not push them into the arms of illegal loan sharks—the sort of people for whom the idea of a late payment penalty is a cigarette burn to the forearm.

Justin Tomlinson: Does my hon. Friend agree that that is exactly why we should be considering all of the actions that need to be taken as part of the credit review, so that we can get a measured and sensible approach which means that we do not end up, by default, aiding the illegal loan sharks?

Damian Hinds: I agree with my hon. Friend entirely. The amendment to the motion is very sensible and very welcome.

Having a range of caps on different products in the market is one option for achieving the two aims I have just set out. However, the market is diverse and dynamic; the mention of the growth in payday lending in the motion is a good example of how the market keeps changing. In such a market, the danger of such an approach is that when certain categories are capped, there will be growth in different categories as people try to morph products and move into different areas of the market to avoid regulation.

If caps are to be considered, one idea that I would like to throw into the mix for the Minister to consider is what I call a twin cap. Rather than having caps on different categories, we could set out a formula with a maximum rate of simple interest combined with a one-off percentage of the principal—for example, a 30% interest rate and a 15% arrangement fee. I suggest that structure because it more closely reflects the actual cost of providing loans. Shorter-term loans cost more to provide because there is a fixed-cost element for the initiation and completion of the loan. My own back-of-the-envelope modelling—I stress it is no more than that—suggests that some credit companies may well set their prices in that way. If there were a cap of 50% annual interest plus a 15% one-off charge, just about every segment of the market would survive, but by curbing the very worst excesses over time, we could bring that down.

I do not have time to go through the rest of what I wanted to say, but we should not forget everything else—supplementary charges, roll-over charges, missed payment charges and minimum payments. Critically, lenders should be required to take all reasonable steps to make sure that loans are paid down and that charges never exceed a set percentage of the outstanding loan in any given month.

2.31 pm

Mr William Bain (Glasgow North East) (Lab): It is a pleasure to speak in the debate and to follow the hon. Member for East Hampshire (Damian Hinds). I agreed with many of his remarks. I congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on speaking not just with passion and power but with the authority of someone who has done tremendous work in this area, and I hope that hon. Members across the House will endorse her proposal, her private Member's Bill and the motion she has moved today.

I have been encouraged by the extent of cross-party consensus today. Whatever our views on the national debt and the deficit, I hope that hon. Members from all parties will agree that this issue is a massive problem. I want to put on record some of the problems being experienced by my constituents. I have the challenge, but also the great honour, of representing the community of Royston, which sits near the heart of my constituency and is one of the most deprived areas in Scotland. There are very low rates of pupil attainment at school and very low rates of schoolchildren moving into college and university. When I contacted North Glasgow advice centre in Royston last week, it told me that debt issues make up nearly half of all its work at the moment. Of the debt issues it manages, consumer debt, including credit and store card debt, personal loans and people dealing with pawn shops, make up 76.4%.

The centre told me the terrible story of a pensioner couple, aged 70, who are still paying off the remainder of their mortgage and who came to the centre last week. The interest on their mortgage is being paid by the Department for Work and Pensions but there is a shortfall. When the centre explored their income and outgoings, it found they were paying £80 a week to a well-known doorstep lender. That type of abuse demonstrates the urgent need for regulation in this area.

Paul Blomfield (Sheffield Central) (Lab): Is not one reason for urgency precisely that those in multiple debt are faced with doorstep lenders who visit them regularly so that they are inevitably drawn towards paying those debts above others that would normally be considered priority debts, such as rent and utilities? Allowing those debts to fall by the wayside causes greater problems such as eviction.

Mr Bain: My hon. Friend makes an extremely powerful and accurate point. The looming crisis in personal debt was summed up last April by Citizens Advice Scotland, which said:

> "The problem is not just the number of people who are in debt.... It's the extent of the debts that those people have."

Having analysed the problem, it found that

> "On average, Scottish debtors have debts that are 50% higher than they were five years ago. And for every £1 they earn per month, the average Scottish debtor owes £28 in debt."

Today, we have the opportunity to begin the process of ensuring that that burden does not rise through this Parliament.

The hon. Member for Solihull (Lorely Burt) mentioned the EU consumer credit directive, but in many ways, that has added to the problem facing us today. Previously, providers were required to give two thirds of successful applicants for credit cards the advertised rate; under the directive, that will fall to just 51%. That change will leave millions of consumers paying more than they expected when they applied for credit, and people in that situation will increasingly resort to short-term credit.

Five minutes from my home and my constituency office, in Springburn shopping centre, is a BrightHouse store. I shall share with the House some of the prices that my constituents were being charged for basic goods last week. For a washing machine with a cash price of £703, the payable amount under the BrightHouse credit scheme was £1,558.44. For a freezer with a cash price of £773, the amount payable through BrightHouse was

£1,714.44. For a children's bunk bed set, the cash price was £345.69, but the BrightHouse credit charge was £765.96. We have the time to act now. I urge Members to seize the opportunity and to stop my constituents and those of Members on both sides of the House having to experience that sort of abuse from the short-term credit industry.

In the short time left, I shall mention Provident cheques. Provident specialises in lending small sums, typically between £200 and £300, but with borrowers having to take out the loan for the longest borrowing period, we have seen interest rates ranging from 170% to 500%. A customer borrowing £200 over 55 weeks pays £330, equivalent to an APR of 177%.

Members in all part of the House must surely appreciate that markets must have morals. We can act today to begin the process of regulating the industry. I urge the House to grasp the opportunity.

2.38 pm

Stephen Lloyd (Eastbourne) (LD): I echo my colleagues in paying tribute to the hon. Member for Walthamstow (Stella Creasy) for pushing this issue and bringing the motion to the House for us to debate. It is incredibly important.

When I first heard about the astronomical APRs charged by the payday loan firm, I was extremely concerned. When I discovered that the precise APRs charged were way beyond what I had feared or even imagined possible, ranging up to 2,000% in some cases, I was absolutely staggered. However, having carried out research over the past few months, I have discovered that the subject is horrendously complicated. Others have talked about that complexity, and I shall do so as well.

We all know that there is one primary factor that maintains the status quo of iniquitous social exclusion for those at the very bottom of the income ladder—one primary factor that stops people from advancing socially and economically. That factor is financial exclusion, as the hon. Member for Walthamstow so brilliantly identified. Many people in disadvantaged areas have no formal savings, access to credit or even a bank account. In 2011, in one of the richest countries on Earth, that is an absolute travesty.

I wrote to a number of the companies that provide payday loans and met their representatives; I also spoke with a number of constituents who have been on the receiving end of those companies' wares. I inquired robustly about their business model. I checked it, went through the process and had my team research it. Frankly, I was surprised by what I discovered: there are not necessarily large groups of our poorest citizens paying through the nose for higher interest loans, and the business model does not necessarily target people who habitually default before their loans are compounded. In the main, I found that lenders—the main suppliers—went to great efforts to ensure that their customers were able to pay back loans by building up trusting relationships with them. That was not the reality that I had expected, so it was a learning experience for me. It is important that debates in this House are informed by facts, and the fact that I have taken on board is that some of those firms play a vital role in certain communities.

Yvonne Fovargue (Makerfield) (Lab): Could the hon. Gentleman explain to a constituent of mine who has six loans from payday loan companies, each one borrowed to pay off the other, how that could take place if the companies are targeting people to ensure that they have the ability to pay?

Stephen Lloyd: The hon. Lady raises a good point, and an important one. There will be some anomalies, but when I did the research I found that the majority of people who use payday loans pay them back regularly, otherwise the business model would collapse. I hope to be able to explain that as I go through my remarks.

The companies offer credit to those who are financially excluded by larger and seemingly more reputable financial institutions, such as those banks that are now owned by the taxpayer. Although some of those loan companies have been associated with inescapable cycles of debt, as my hon. Friend the Member for Chippenham (Duncan Hames) mentioned earlier, and with poverty, as noted by pressure groups such the excellent End Legal Loan Sharking, I now recognise that the whole issue is simply not as black and white as it has been painted.

Duncan Hames: Does my hon. Friend accept that the huge growth we have seen in the sector recently is an indication of how profitable this business is for those organisations?

Stephen Lloyd: My hon. Friend is absolutely right. The figures I have show that the sector is worth in excess of £1 billion per annum, and heading towards £1.5 billion, so it is clearly very profitable. That is the point I want to make, if Members will bear with me.

The blunt reality is that many disadvantaged people simply do not have access to high street banks, which we all take for granted, and consequently they are forced to look elsewhere. They have no choice, and there is the rub. It is not simply people with poor credit ratings who seek the services of firms offering payday loans. A reality check is needed, because in modern society across the UK there is a real and present demand for quick, short-term loans to bridge the gaps between when individuals need money and when they are paid.

Those people need the money for quite normal transactions, such as paying for a grocery bill or for an MOT, and they need it for the short term, just a couple of days before they get their payday cheque. The money is for mundane expenses that everyone has experienced, but they can be very different for people who need payday loans, because in that area a failure to find the money can quickly lead to a crisis that will take them from normality to abnormality in the space of 24 hours. That is a problem, because if well-meaning pressure groups are successful and able to see off established payday loan companies or force some of them to withdraw from the market, where will people turn?

The hon. Member for Walthamstow made the point in her Westminster Hall debate that just six companies are responsible for 90% of business in that market. Although I do not necessarily agree that that constitutes an uncompetitive market—six major supermarkets in this country control 90% of their whole sector—I feel that regulating the market further might make it even less competitive. I think that greater monitoring of payday loan providers by the Office of Fair Trading to ensure that they are acting in a moral and responsible

[Stephen Lloyd]

way and in the best interests of the consumer would be the right way forward. Financial exclusion is a horrible and vicious cycle, and poorer families can spend an additional £1,000 per year on essentials.

That brings me to our high street banks, which are an integral part of this country's economy and vital to our recovery. All the banks in this country, however, are still in existence thanks to the massive 2008 bail-out at huge cost to the taxpayer—all of them. Yet, those banks continue to ignore a great number of taxpayers to whom they owe so much. In the banks' defence, they claim that such customers are high-risk and unprofitable, but banks are unable to understand their needs and inaccurately assess the risks they pose.

The sector is worth £1.2 billion and clearly profitable, as my hon. Friend the Member for Chippenham said, but it ignores those 6 million people, so they are left to the payday loan companies, none of which I should want to be great friends with. My point is, however, that because the banks do not step in, the payday loan companies have to, and without them the situation might be catastrophic for the many millions of people who need them so desperately.

2.45 pm

Ian Murray (Edinburgh South) (Lab): I, too, congratulate my hon. Friend the Member for Walthamstow (Stella Creasy). Since we became Members, she has been a stalwart campaigner on the issue, and to have a political issue of such like trending on Twitter—if Government Members would like to look up that term later, they are very welcome to—is a great credit to the campaign that she has run and to her for representing not only her constituents, but the constituents of all of us.

Many people on both sides of the House support the measure, and I was interested to hear the hon. Member for Chippenham (Duncan Hames), who is in his place, bring to the Chamber his great deal of experience on the issue. I am disappointed that he is going to put that all to the back of his mind when wandering into the Lobby this afternoon, but I hope that in the next hour he will change his mind and support what is one of the most valuable things that we can do in the Chamber.

The issue affects many of my constituents and constituents throughout the country. Debt breaks up families, demolishes relationships and, all too often, leads to suicide and death, something that has not been highlighted this afternoon. Rarely are high-interest services used as a one-off; the spiral of debt, through chasing the tail of debt as others have said, can lead to families throughout the country becoming caught in a debt trap and, all too often, a death trap.

I have been struck by the APR and total credit costs that we have heard about this afternoon. My hon. Friend the Member for Glasgow Central (Anas Sarwar), who is not in his place, spoke about 4,000% APR, and although I appreciate that the motion is not just about capping APRs, but about the total cost of credit, I think that such figures should send a shiver down the spine of every Member in the Chamber.

Moreover, the hon. Member for North Swindon (Justin Tomlinson) explained that a mere 17.9% APR can take up to 40 years to pay off if someone makes just the minimum payment, so even small APRs, which attract people to credit, can have significant consequences if there is no education to resolve the issue.

Short-term credit companies advertise aggressively. We just have to walk down our local shopping streets to see posters, advertising boards and window displays publicising payday loans and credit. Many of us know about such aggressive advertising, and Members have already described how lenders can create relationships in a person's own living room, but the main concern about advertising is that many people look for authorities on the issue and then give the adverts credence because of them. Indeed, adverts for payday loans with APRs of almost 3,000% have been carried on the website of the Department for Communities and Local Government—an authority to which people might look and say, "If they're saying it, this must be acceptable."

Rising unemployment, housing costs and the VAT increase could leave families and ordinary people in a far worse situation, pushing them towards higher credit costs when paying for birthdays, Christmas, household repairs or just everyday living.

Helen Goodman: My hon. Friend mentioned the significance of the personal relationships that firms build up with borrowers. Does he agree that the network of people who are on incentivised contracts with the companies, and incentivised to maintain people in debt, is one of the biggest market barriers to the conventional banks coming into the sector?

Ian Murray: I am grateful to my hon. Friend for mentioning that. One would think we had rehearsed it, because I was about to go on to say exactly that. The chief executive of the country's largest payday lender, Peter Crook, recently said that he was likely to see a large increase in his target audience owing to the rising levels of unemployment. That highlights the relationships that are created not only to keep people in the spiral of debt but to keep the people who are pushing the debt in the spiral of commissions and maintaining their own lifestyles. That shows that strict regulation is required, not a code of conduct that could easily be dismissed by some of the more unscrupulous lenders. It also shows that those who are least able to pay are being charged the most at a time when they are least able to pay for this kind of credit.

Of course, capping the total cost of credit is not an idea that has been plucked out of the air. As my hon. Friend the Member for Walthamstow demonstrated, there is evidence from around the world showing that it is perfectly possible to regulate the payday and home credit markets without adverse effects—all it takes is the political will to do so. There are undoubtedly detailed issues that would have to be resolved, but we are elected to this House to find solutions to problems, not to find problems to stop solutions, which is how I read the well-intentioned amendment. The political will is in the Chamber today to do something about this, and we should all grasp the moment and do what is right for our constituents.

2.51 pm

Richard Graham (Gloucester) (Con): Today we have gathered in all parts of the House as the champions of sensible consumer credit for the most vulnerable in our

communities. It is interesting that so many of these champions are new Members of this House. Among our company, I pay tribute, as many others have done, to the hon. Member for Walthamstow (Stella Creasy) and to my hon. Friends the Members for North Swindon (Justin Tomlinson) and for East Hampshire (Damian Hinds) who have been leading the way in setting out our concerns about consumer credit.

The hon. Member for Erith and Thamesmead (Teresa Pearce) referred to snakes and ladders and concluded that the motion was all about increasing the ladders of opportunity for her constituents. In truth, it is about the other side of the equation: reducing the number of snakes, reducing the amount of credit that is made available through payday lending, and ultimately putting a squeeze on the loan sharks—the one species of fish which we might all agree we would not mind if the beastly EU fisheries legislation sorted out for ever.

The motion proposed by the hon. Member for Walthamstow calls on the Government to introduce caps on prices. Interestingly, when she introduced the motion, she called for the regulator to put these caps in place. All that is at stake in terms of whether we vote for the motion or for the amendment is the narrow issue of whether it is the place of the Government to impose caps on prices or whether it is the responsibility of the Government to encourage a regulator to do so. In that respect, it is relevant that the snappily named "son of OFT"—the consumer markets protection agency, if that is to be its final name—is the relevant body that should be putting caps on prices. The consultation is out there, and we should all be participating in it and encouraging the new agency to do so, as the motion and the amendment suggest.

The other side of the equation, which is all about the ladders of opportunity, comes back to the other issue dear to the hearts of many of those in the Chamber—how to provide sensible credit to vulnerable constituents. I declare an interest, as have many hon. Members, as a member of the Gloucester credit union. I pay tribute to the Government, specifically the Department for Work and Pensions, for funding a post to enable five small credit unions to form together into a Gloucestershire-wide credit union, which will be launched in March. It is through credit unions that we will make credit available to such constituents. I hope that it is part of the Minister's plans—no doubt he will tell us more—for credit from credit unions to be available through the network of 11,500 post offices.

The final point I would like to make about the ladders of opportunity is on financial education. I pay tribute to my hon. Friend the Member for North Swindon on the new all-party parliamentary group on this matter. Although it is a less attractive game than bashing bankers, I urge all Members to work with the financial services institutions in their constituencies, many of which provide considerable free financial education.

Mark Durkan: The hon. Gentleman compared the motion and the amendment and suggested that the motion called on the Government to introduce caps. It actually calls on the Government to introduce regulatory powers that would allow the introduction of caps. The amendment calls on the regulators to consider introducing caps. Do the regulators currently have such powers? If they do not, the amendment is specious.

Richard Graham: I thank the hon. Gentleman for that contribution. The amendment encourages the Government to introduce

"measures to increase access to affordable credit"

and

"urges regulators to consider putting"

caps on prices. I believe that that is precisely the form of words that is appropriate. That is why I support the amendment. It recognises that 95% of the motion is right, but that it needs a significant but small fine tuning.

2.56 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I, too, praise my hon. Friends the Members for Walthamstow (Stella Creasy) and for Darlington (Mrs Chapman) for their hard work on this issue and for securing this debate through the Backbench Business Committee.

In the poorest communities in my constituency and throughout Teesside, the most vulnerable people are being preyed on by loan sharks and payday lenders. That is especially true in these difficult economic circumstances. The two councils in my constituency offer financial advice services that provide free support to people who need it, with support from Citizens Advice and the credit unions. Those services are well used by local people and sometimes they are the only accessible source of advice and support. Such services could be developed if post offices worked alongside credit unions as a post bank. I believe that the Government have a role in regulating to prevent vulnerable people from being targeted and taken advantage of.

It is no surprise that among the only businesses to have consistently benefited from the credit crunch are pawnbrokers and cash-for-gold shops, which offer quick-fix financial solutions for those in need of money. As the Office of Fair Trading and the Competition Commission have said, the fact that customers seeking short-term loans cannot afford to shop around has meant that there is little competition in the sector, which has inflated rates artificially.

In my constituency, the north-east illegal money lending team has worked tirelessly in communities such as Easterside to drive out illegal loan sharks who have been taking advantage of vulnerable people. It helped to set up sustainable lending and saving by community-based credit unions. The Minister has decided to withdraw funding for such teams and expects a national body based in Birmingham to replace them. I can only guess that that is part of the new consistent localism agenda that the Government have displayed.

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): The hon. Gentleman will know, I would have thought, that an independent study was done on how best to use the funding for illegal money lending teams. We have taken on the broad recommendations of that study. It suggested that a central team would be more effective and use the money better. The people in the north-east will still have the services of the illegal money lending teams.

Tom Blenkinsop: I do not accept that evidence, because the new team will not do the follow-up work that helped to set up the credit unions in those communities. A

[Tom Blenkinsop]

team in Birmingham cannot have the relationships with local people that can defeat the local illegal moneylenders who people know on their estates. I have campaigned hard against this decision, which I believe will leave communities in my constituency vulnerable to illegal loan sharks, after all the hard work that has been done to rid us of such criminal moneylenders.

I back the motion because, contrary to the opinion of the hon. Member for Solihull (Lorely Burt), it is not true that regulating the lending market will push people to use illegal loan sharks. In the real world, evidence shows that high-cost lending may be a precursor to illegal lending because people get into such a financial mess, and have such poor credit ratings as a result, that they turn to illegal lenders. And not only that: they are often dragged into criminal activity themselves as repayment by favour or in kind, such as hiding fenced goods, drugs or weapons. When they get caught, they lose their job and spiral downwards.

With rising unemployment, the increase in VAT and the high cost of fuel, I genuinely fear that more and more of my constituents may feel that their only option is to turn to high-cost lenders such as payday, doorstep and hire-purchase lenders. The Government have already committed to regulating excessive interest rates on credit and store cards, and it is now time for them to focus on higher-cost unsecured lenders. That is why I support the motion. Now more than ever, it is absolutely necessary to protect vulnerable and often desperate people who turn to companies for credit that could destroy any hope of their having financial security in future.

3 pm

Craig Whittaker (Calder Valley) (Con): I assure the hon. Member for Walthamstow (Stella Creasy) that although my grandmother was called Crook, neither she nor I are related to the person whom she named earlier. I thought I should put the record straight on that one.

In Calder Valley, we have the fantastic Calderdale credit union of which I must declare I am a member. It does some great work in combating doorstep lending and has achieved much in the local community of Todmorden to offset those lenders' high interest rates. It has done so through a great education programme and, of course, through providing small loans at a much lower rate, in line with that of most banks and reputable high street lenders.

Last week, I attended our local Sure Start centre in Todmorden, at which Barclays bank held a money skills training programme for a group of young people and young parents. It explained the many aspects of finance and, importantly, the value of saving, and it became clear that the majority of the group of about a dozen young people had already come into contact with doorstep lenders.

Some of the stories that we heard around the table were absolutely horrendous, and three key points came out of the discussion. First, young people are dealing with incredibly high interest rates from doorstep lenders. Secondly, those lenders' tactics are horrendous, with some of them knocking on the door at 4 am or 5 am to collect overdue money. Thirdly, as has been mentioned today, the most vulnerable sometimes enter a vicious cycle in which they are encouraged to extend loans time and again, or to add a television or washing machine.

As has been mentioned several times, many Members attended the launch of the all-party group on financial education, which was set up by my hon. Friend the Member for North Swindon (Justin Tomlinson) and attended just last Monday by Martin Lewis. There is a real desire among all MPs to bring back financial education for our young people at school. Gone are the days when banks promoted bank accounts and the concept of saving to our young people at an early age through schools. We need to bring back a robust system in which our children are educated in finance in a consistent way.

The education programmes of our high street banks, to which many of the banks' staff dedicate their own time, such as the Barclays money skills programme, are having an impact where they are targeted. The great results provided by credit unions such as Calderdale credit union in tackling doorstep lenders are leading to progress, albeit with very limited funds, through high levels of dedication from their staff. Sadly, however, there is not enough progress and far too many doorstep lenders continue to target the most vulnerable with well advertised, huge APRs, often in the thousands. That is not only obscene but immoral, and we need to take steps to introduce measures to increase access to affordable credit. We must also urge regulators to consider putting in place a range of caps in parts of the market in which immoral and often unscrupulous operators target the most vulnerable people.

Ben Gummer (Ipswich) (Con): My hon. Friend talks about some of the positive things that the banks are trying to do, but the vast majority of debt cases that I have seen in my surgeries have originated in appalling lending decisions by high street banks. It is important to stress that now while we are hitting everyone else.

Craig Whittaker: My hon. Friend highlights a serious problem, but it is important to appreciate that some of our high street lenders have recognised, in the light of what has happened, that they must do more to target the most vulnerable to highlight financial issues, as they are doing.

I support the amendment because it is important to have a widespread review and not just a prescriptive briefing, particularly given that unscrupulous companies currently get around advertising the high cost of credit by massively increasing the base price of goods on offer, examples of which were given by my hon. Friend the Member for Thurrock (Jackie Doyle-Price) and the hon. Member for Glasgow North East (Mr Bain). I urge hon. Members to support the amendment.

3.5 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): It is a pleasure to speak in this debate and to follow the hon. Member for Calder Valley (Craig Whittaker), who spoke well about an area that I know well and where I have relations. I add my congratulations to my hon. Friend the Member for Walthamstow (Stella Creasy) on showing the leadership to get this motion on the Order Paper today and to publicise it. She has been an example to us all.

This has been a good debate. Many hon. Members have spoken well and made excellent points. If the vast majority of hon. Members accept that there is a significant problem, it is a question of what the Government can and should do about it. As one hon. Member said, there is a legitimate argument in favour of funding financial inclusion education in early-years education. Partly because of the progress made in recent years, that is necessary, but it is not sufficient on its own. We should welcome the fact that 350,000 loans have been made by the not-for-profit sector, but that is not enough, and the enormous problem of people being charged appalling rates of interest remains.

The question is this: if the Government decide that they cannot allocate the funds that they have allocated previously, can they take regulatory action to improve the situation and make a genuine difference? That is why I am disappointed by the response of some Government Members. They have a far greater grounding in such matters than I do and have spent much of their previous careers and parliamentary time in dealing with this issue, but they have not grasped the nettle, and they will not support the motion. Instead, they are taking a course of action that will ultimately delay things and put the matter in the hands of a regulator that has not been given sufficient political direction to tackle the problem head on.

Lorely Burt: Will the hon. Gentleman give way?

John Woodcock: If the hon. Lady does not mind, I will not take interventions because we need to hear as many speeches as we can.

The Conservatives and Liberal Democrats, when they were the opposition, spoke well of the need to tackle the level of debt in society and pointed out some faults in the previous Government's policies. Now is their chance to do something.

Labour must accept that although we must protect people's right to choose, we must not continue to give unscrupulous companies a means to exploit people. I hope that the Consumer Credit (Regulation and Advice) Bill, which my hon. Friend the Member for Walthamstow introduced, promotes credit unions. I am deeply proud of Walney Island credit union, which was set up by Churches in response to mass redundancies at Barrow shipyard to help people through those enormously difficult times. We should no longer tolerate the gap being filled in this way while alternative forms of credit are introduced.

In our privileged financial position, we have no need of loans of the kind regularly taken out by the poorest members of our society, but my hon. Friend the Member for Erith and Thamesmead (Teresa Pearce) spoke so well about the choice that she would probably have ended up making in desperation had she been in a situation in which she did not have enough money to get through Christmas.

The freedom to make choices is important, but it is ultimately part of the Government's role to prevent us from being exploited and making the wrong short-term choices when in a desperate situation. That is what this debate is about, and I hope that Members on both sides of the House will support the motion.

3.11 pm

Mark Durkan (Foyle) (SDLP): I join others in commending the hon. Members for Walthamstow (Stella Creasy) and for North Swindon (Justin Tomlinson) for securing this debate, even though they differ on the amendment.

Many hon. Members have described the problems in their constituencies. The problem is that firms in the credit market are able to exact credit terms that are lucrative for them but punitive for their customers. When we hear of some of the eye-watering interest rates that end up being charged, it is natural to think that there should be a law against it, and people look to this House to provide some sort of bulwark against open-sky exploitation. The motion asks the House to give the Government a mandate—although it is not a prescriptive mandate—to put regulatory powers in place that would provide caps that would be sensitive to the circumstances and needs of those who are in dire straits and otherwise financially excluded. Those caps would also be sensitive to the dynamics of different parts of the markets and sub-markets—

Damian Hinds: Will the hon. Gentleman give way?

Mark Durkan: No, because—

Damian Hinds: On the wording.

Mark Durkan: Well, I am addressing the wording. Many people are misrepresenting the motion and the amendment.

The motion would not put prescriptive caps in place or require the Government to do so immediately. The hon. Member for Solihull (Lorely Burt), who supports the amendment, said that a Government consultation is under way. But that consultation is not just asking the regulators what they think: it is rightly asking all of us what needs to happen to provide properly regulated financial services and proper protection to customers, both business and personal. Instead, the amendment says that we do not even want the Government to consider the question of regulatory powers that would protect those customers—we should ask the regulators to consider that question instead. Who are the regulators? The very consultation that the hon. Lady was talking about is about who the regulators will be in the future and what powers they will have. So the amendment is an evasion and dereliction of parliamentary responsibility, because it would simply ask the regulators to think about the issue—when we are still thinking about who the regulators should be and what powers they should have. It is a case of "There's a hole in my bucket, dear Liza." If people want an answer to this problem, they should not back the amendment.

Damian Hinds: Will the hon. Gentleman give way?

Mark Durkan: No, because I want to give other hon. Members a chance to speak. The hon. Gentleman is supporting the amendment and he ended up pleading with the Minister to consider what he called "twin caps". I do not know why he did that when he is backing an amendment that says that the Minister should not consider anything to do with caps. So the hon. Gentleman

[Mark Durkan]

does not want the Minister to have anything to do with this and instead it should be unspecified and unknown regulators.

There is even more uncertainty about who the regulators in Northern Ireland would be. If I, as a Member representing Northern Ireland, were to support the amendment, I would be asked by my constituents, "Well, who are the regulators in our country?" It is unclear who the regulators would be in Northern Ireland. That is why I cannot join others in sidestepping the main point of the motion by backing the amendment.

I would like to join my Celtic colleague, the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), in making a point about debt management and debt management plans. There are not only loan sharks out there, but debt sharks, who pose as debt dolphins coming up to help people who are deep in dire debt. We need clearer regulation. We know that an Office of Fair Trading report found that more than 129 companies were engaged in various questionable practices; and we know that there are models for statutory schemes, not just in other jurisdictions such as the south of Ireland and elsewhere across Europe, but even in Scotland, where there is a debt arrangement scheme that provides a good model for protecting consumers in dire need of credit but being exploited in the name of debt management plans.

The term "flipping" was used during the parliamentary expenses scandal to describe MPs changing houses. In the debt management plan arena, of course, we have flipping as well, with companies sucking customers in with unsustainable terms then flipping them on to more exorbitant terms in the future.

3.15 pm

Mr Chuka Umunna (Streatham) (Lab): I also congratulate my hon. Friend the Member for Walthamstow (Stella Creasy) on securing this debate, which I think has been a very good one. I also endorse the comments of the hon. Member for Foyle (Mark Durkan) about the amendment.

In the little time available, I want to widen the debate to talk about financial exclusion in general. We have discussed these issues over the past few weeks, and in the coming months, when we will be talking about some of the big macro-prudential issues relating to the financial services sector, we will be considering whether to separate out our banks between investment and retail; and we will also be considering banks' loss-absorbing capacity, risk assets and such like. However, it is extremely important that we do not forget some of the issues presenting challenges for the people we represent. The hon. Member for Ipswich (Ben Gummer), who is no longer in his place, referred to the raw deal that many of our constituents are getting from the big retail banks. I endorse what he said.

A 2004 investigation by *The Guardian* found that payment protection insurance, for example, was being widely mis-sold by many of the banks to customers who would not be able to claim under the terms of the insurance. Banks were making profit margins of up to 80% on those products. I am a member of the Treasury Select Committee, and last November I took the chief executive officer of Lloyds Banking Group to task for charging extortionate rates of interest for arranged overdrafts. He was levying a charge of 19.3% on his customers—more than 38 times the bank of England base rate. Last month, Barclays was fined £7.7 million by the Financial Services Authority for misleading savers, and RBS was fined £2.8 million by the FSA for its inadequate handling of customer complaints.

The increase in personal debt has been mentioned. It is not coincidental that, since 2000, productivity has risen at double the rate of wages, which have in some sense stagnated. As a consequence, people have borrowed and household debt has exploded. That might also explain why we have seen an explosion in the demand for short-term credit. It has already been mentioned that in 2009 the payday lending industry was worth more than £2.2 billion—more than 3.5 times what it was in 2006. However, we are where we are, and the need for credit has now become a basic essential of everyday life. I would be prepared to bet that most people in the Chamber have a credit card. We all come under different stresses when we go through different things in our lives—for example, moving home.

One of the problems is that it is often the poor and the vulnerable who are most in need of credit. That was one reason I wanted to participate in today's debate. I represent a constituency that is varied but has pockets of severe deprivation, and we find that it is those people who are struggling to gain access to credit and struggling with financial issues. In the past four months, my local citizens advice bureau has dealt with well over 400 debt advice queries. Despite that, however, those poor and vulnerable people are the very ones getting the rawest deal from the sector in terms of the services they are being provided with. Three million people in this country do not have a bank account, and 35% of those in deprived communities do not have access to simple banking services.

I think that the hon. Member for Eastbourne (Stephen Lloyd) mentioned the fact that the industry has pointed to all that it has been doing since 2003 to introduce basic bank accounts. Typically, the bank accounts that have been introduced since that time allow customers to receive their pension or benefit payments and perhaps have a debit card, but they do not offer overdrafts and they often do not provide access to a cheque book. They do not provide the full menu of services that we would all expect.

For me, this is simple: the industry is failing to do anything about financial exclusion. With the present voluntary commitment, the sector lacks sufficient incentive to dedicate its resources to help to address the issue, not least because of its obsession with maximising shareholder value. Yes, it has a legal duty to do that, but that sometimes goes against its obligations to society, which has provided £1.3 trillion of support to the sector since the global financial crisis came to a head. In addition to supporting the motion, I would like us to introduce a universal banking service obligation, to prevent people from needing to go to the doorstep lenders in the first place.

3.21 pm

Sheila Gilmore (Edinburgh East) (Lab): I want to thank my hon. Friend the Member for Walthamstow (Stella Creasy) not only for securing this debate, but for

the campaign that she has been waging on this subject since she was elected. Mention has been made of the review of consumer credit, and of the consultation, which closed some time ago. It is important to remember that that review would not even have looked at some of these issues if my hon. Friend had not pushed for them to be examined, so we are here today in part because of her efforts.

It always worries me when people say things like, "We don't need to regulate yet" or, "We're all in agreement with this, but—".

Lorely Burt: The Labour Government had 13 years in which to regulate, and they conducted three investigations into this very subject. They did not bite the bullet, however, so the hon. Lady should not be criticising us. We are conducting a consultation nine months into this Government.

Sheila Gilmore: The hon. Lady has been told on several occasions by various Members that the proposal in the motion is different from some of the proposals that were not taken up by the previous Government. If I had been in this place then, I would have been pushing my Government to do exactly what the motion proposes. It is not good enough to say, "If your Government did not do this, you should not propose it now." For how long does she think should we be disbarred from making such proposals? One year, two years, 13 years? On that basis, we might as well not be here at all, but perhaps some Members on the Government Benches would prefer that.

Craig Whittaker: I understand the party politics involved, but does the hon. Lady acknowledge that we have already heard a lot of evidence today about how these unscrupulous companies get around the process anyway simply by increasing the base price? We need to take time out to have a look at this in a proper, regulated manner.

Sheila Gilmore: I am not convinced that we have heard assertions or evidence that that could happen. If we always decided not to legislate because someone could get around the law, there might be a case for not legislating.

I should declare an interest as a solicitor, and one of the things that drew me to the law as much as to politics was my belief that the law is a valuable tool to help those who are more vulnerable. The law is a lever to create a better balance of power between those who have power and assets and those who do not.

I am not saying that we should regulate on absolutely everything, but regulation is necessary if we are to deal with a problem that has expanded greatly, partly but not entirely because of the recession. The industry is incredibly seductive for people; it offers them attractive places to go and produces attractive adverts that make everything seem very easy. There is widespread agreement on the need to help people and to make changes, provided that that is not done through regulation, but we must will the means, not just the end. It is not enough to have warm words and to keep talking about how important it is to have measures to deal with financial exclusion and vulnerable people. We have to will the means to do that.

There was a recent Westminster Hall debate on basic bank accounts, in the course of which it became clear that, for all the espousal of financial inclusion, there is a growing inability to will the means that are needed. The measure before us is one of them, and there are several more. In my earlier intervention I referred to the growth fund. Every Member wants there to be more sources of affordable credit. We are all great supporters of credit unions—indeed, I am a member of my local credit union—and we want their lending to be expanded.

One practical recent measure that led to that expansion was the growth fund. As a result of it, lending by credit unions and other community-based financial institutions was able to expand greatly. That will end in March this year, however. Some people might say, "Well, that's the date your Government set for it to end." I must say yet again, however, that had my party been re-elected last May, I would have been pressing them to extend the growth fund because it has built up many credit unions and other community-based financial institutions to provide an alternative for people. Without that lending capacity however, many such organisations will have to reduce their lending activities substantially; that is what they are telling me. The alternatives that people often say should be in place before we legislate will therefore not be in place if we do not go on expanding through the growth fund.

I was also concerned to hear that the financial inclusion taskforce within the Treasury, which the previous Government set up, is, in effect, being wound up. Several of the people who were working in this field have already been redeployed to other activities.

If we want to put our money where our mouth is, we need to put in the financial resource and the legislation. Even at this stage in the debate, I hope that Members are willing to decide to vote for the motion and not support the amendment, and to put pressure on the Government to continue the work that the previous Government did in a variety of fields. This is part of the big jigsaw puzzle that we have to address when dealing with financial inclusion and the problems some people face. We need all the following measures: we need credit unions, but we need the resource to go with them; and we also need community-based financial institutions and other sorts of credit unions.

There is one further small provision that the Minister might want to consider: reforming and extending community investment tax relief. Many community development financial institutions—community-based lending institutions that lend to individuals and businesses—would like that, and I hope that the Government are prepared to consider this further measure that is part of the wider jigsaw puzzle.

I commend the motion, and I hope the consensus that has been apparent will translate into support for it.

3.28 pm

Nia Griffith (Llanelli) (Lab): I congratulate my hon. Friends the Members for Walthamstow (Stella Creasy) and for Darlington (Mrs Chapman) on proposing today's motion. I especially congratulate them on recognising the complexity of the problem and on presenting us with a practical and realistic proposal for cracking down on the excessive fees and costs charged by doorstep lenders. The Opposition Front-Bench team is pleased to support the motion.

[Nia Griffith]

I also pay tribute to my hon. Friend the Member for Walthamstow for using parliamentary procedures and organised campaigning so effectively to highlight this problem and for seeking to find a workable solution. It is a tribute to her that her work has inspired so many other hon. Members to prioritise the issue, to do their own research and to try to think through workable ways of cracking down on extortionate charges. She is fully aware of the reasons why a single cap on interest rates—perhaps an arbitrary figure plucked out of the air—would not be the solution and could have unintended consequences.

My hon. Friend has understood the evolution of our thinking, from first having reviews when we were in government, to the position in our manifesto in which we pledged to clamp down on such practices. She has used her own research and has come up with a practical solution, which she has explained in her speech and the motion, which comprises a range of powers that the regulator needs to tackle the problem. As my hon. Friend the Member for Streatham (Mr Umunna) has said, we are asking the Government to consider the matter now precisely because they have been looking at regulation. Those are the reasons why it is particularly appropriate that the motion should have been brought forward today, with its practical solution to the problem.

Many of those on low incomes have no reserves to help them get through difficult times. They struggle to make ends meet and pay their bills. Any loss of income or small change in circumstance can lead to their having to choose between putting the heating on and putting food on the table, driving them into the hands of those offering payday loans. It is therefore not surprising that there has been a particularly rapid increase in the payday loan market over the past few years. In 2009, the payday lending industry was worth more than £1.2 billion, more than three and a half times what it was worth in 2006. There are now some 1.2 million people using the payday lending market and more than 3 million people using the home credit market. The problem has been further exacerbated in the past couple of years by the tightening up among mainstream lenders. People have found their credit limits from mainstream lenders suddenly curtailed, and they have been forced to look elsewhere, thereby swelling the numbers of those relying on high-cost doorstep borrowing or home credit firms.

Those on low incomes often have the least choice. Those with the lowest incomes often end up paying the highest prices for goods and services. They often do not have the spare cash to bulk-buy or take advantage of special offers; nor do they have the credit ratings to walk into high street stores and use a credit card. Many on low incomes do not have access to the internet, and even if they do, many do not have the credit cards to enable them to go internet shopping. It is the lack of choice that makes people particularly vulnerable. They have no option but to turn to the doorstep lenders and home credit companies, which charge exorbitant rates on their cash loans or hire purchase agreements. The lack of choice or competition in the market makes it particularly important that the Government should step in and regulate.

There is a parallel between this debate and what we did in government to tackle the scandal of the high unit cost of electricity charged to those who pay using prepayment tokens. When we were in government, my right hon. Friend the Member for Doncaster North (Edward Miliband), the then Secretary of State for Energy and Climate Change, put considerable pressure on the regulator Ofgem to tackle the energy companies with sustained pressure itself. The energy companies eventually reduced the unit costs paid by those using prepayment meters—reduced, yes; but admittedly not reduced to the very cheapest rates, which are paid by those who can shop around and choose to pay by direct debit, in recognition of the fact that, as the energy companies pointed out, there is a higher cost involved in the administration of prepayment meters. Nevertheless, there was a recognition that the charges had been too high, and they were reduced.

The motion that we are debating today asks the Government to intervene in a similar way in the high-cost doorstep lending market. By introducing new regulatory powers, a regulator can work with the industry, taking account of the legitimate extra costs of collecting frequent small payments in person, and can work to achieve realistic reductions in exorbitant interest rates and charges. This is not about imposing an arbitrary interest rate cap that would drive companies to slap on other charges; nor is it about driving legal companies out of the doorstep-loan markets, leaving vulnerable customers prey to the illegal loan sharks. This is about working with the industry to reduce the overall cost that the customer has to pay for payday loans and home credit.

As the hon. Member for South Norfolk (Mr Bacon) has so forcefully reminded us, regulators need teeth, and it helps if they also have strong backing. That is precisely why it is so important to have the stronger wording of the motion proposed by my hon. Friend the Member for Walthamstow, which refers to

"regulatory powers that put in place a range of caps,"

rather than the weaker wording suggested by the amendment. Our experience with prepayment meters was that it took strong leadership and firm pressure to effect the necessary changes. I strongly suspect that tackling the excessive charges of doorstep lenders and home credit companies will also require strong powers and political will.

As the motion says, it is important to increase access to affordable credit. When we were in government, we took concerted action to promote access to alternative sources of credit through the growth fund. That increased the availability of affordable personal loans by third sector not-for-profit lenders such as credit unions and community development finance institutions. Between 2006 and 2010, 350,188 loans were approved and payments amounting to £152 million were made. I hope the Minister will tell us whether the Government plan to continue that provision beyond April 2011.

Let me return to the issue of regulation. As my hon. Friend the Member for Streatham pointed out, this is a particularly appropriate time for the Government to introduce regulatory powers. It is bad enough that low-income communities are bearing the brunt of taxation changes and the Government's savage cuts to entitlements and public services. The very least that the Government could do is accept our modest proposal, and protect people from excessive charges for doorstep loans.

What we are asking today is for the Government not to pass by on the other side of the road—not to ignore those who are being ruthlessly exploited—but to take some simple, straightforward steps to clamp down on this callous exploitation.

3.36 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): I congratulate the hon. Member for Walthamstow (Stella Creasy) on securing a debate on this important subject, on which there is so much common ground. I believe that there is a consensus across the House that we need to protect vulnerable people, especially those on low incomes, from irresponsible and, worst of all, illegal lenders.

There is, of course, some debate about how we should protect consumers from exploitation. Although today's discussion has rightly ranged widely, the motion and many contributions have focused on one particular option for credit regulation, namely a cap on the total cost of credit. I shall deal with that specific point in some detail later, but in order to do justice to a number of the excellent speeches that we have heard, I shall begin by responding to some of the many points that have been made.

One of the huge benefits of a debate such as this is that the House has a chance to contribute actively to the Government's ongoing work and, in particular, to our two ongoing consultations. However the House votes this afternoon—and I strongly urge all Members to support the amendment tabled by my hon. Friend the Member for Worcester (Mr Walker)—I assure Members that we are in listening mode. We have not reached our final conclusions, not least because one consultation has not closed and we have yet to analyse all the submissions made in response to the call for evidence. Let me, however, tell the House what the Government have been and are still doing, and how we have learned from the previous Government's attempts. Of course, they rejected proposals for caps on consumer credit not once, not twice, but three times.

The previous Government were not shy or inactive in this regard, and some of their policies were good. We are continuing those policies and hope to improve on them. Let me give two examples. The first relates to illegal moneylenders—the loan sharks who will use intimidation and even violence to collect their money. They are criminals, and they need to be identified, caught, charged and imprisoned. The previous Government set up illegal moneylending teams whose job was to help to enforce the law in communities throughout the country. They are specialist teams consisting of trading standards officers and seconded police officers who are taking the fight to the loan sharks. Despite the cuts that we are having to make, we have maintained spending in that area, and we hope to make the money go further and work harder against those criminal loan sharks by reorganising the teams and following the recommendations of an independent study.

My second example relates to the availability of more affordable credit. We are actively trying to make some of these high-cost credit markets more competitive so that people on low incomes can have more choice and credit can be affordable and accessible. I have made no secret of my support for credit unions and the building of closer links between them and the Post Office, enabling more people to take advantage of their services. I am pleased that we have seen real progress in that regard, and that many credit union customers who sign up for the service can now pay in and withdraw money at their local post offices. I am working with others across Government to establish where and how we can go further. I hope that we shall be able to proceed with new measures, but we must work out the details.

We are doing other things, and other things are happening. We have seen the vital development of better education about credit and about finance more widely. The Consumer Financial Education Body is funded in full by a Financial Services Authority levy on the financial services industry. It will provide Britain's first national financial advice service, which will offer a free, impartial financial education to all along with an annual financial health check. That will enable people to manage their financial affairs better. Clearly we can and should do more, and I particularly welcome the setting up of the all-party group on financial education for young people by my hon. Friend the Member for North Swindon (Justin Tomlinson).

In addition, this very week, the consumer credit directive came into force, which introduces new and powerful regulations for consumers that will have far-reaching consequences for the high-cost credit market. I know that not everyone in the House shares the same view of Europe and European legislation, but I am sure that we can all agree that the new requirements on lenders to undertake a creditworthiness assessment before any loan is made and the new 14-day cooling-off period for consumers, allowing them to withdraw from any credit agreement, are welcome. Under the directive, pre-contractual information for the consumer will now have to show the total cost of credit and how much has to be paid back. I believe that the new regulations and their changes will make a real difference.

From that list it should be clear that the Government have been active and lots of new measures have just been implemented, but I want to go further. That is why, jointly with the Treasury, my Department has launched two reviews that will be fundamental to the regulation of consumer credit in future. First, the Government are reviewing the framework for financial services regulation, including the two current consumer credit regulators, the Office of Fair Trading and the Financial Services Authority. The review is an opportunity for us to look at how best to regulate consumer credit and who should have responsibility for that. We are consulting now and any new regulator may well end up with greater powers to intervene in the consumer credit market to introduce the powers that many here today are seeking.

The FSA has already made its thoughts known on this subject in a discussion paper about "Product Intervention". Chapter 6 deals with product intervention options for the new regulator and mentions price capping. Paragraph 6.40 states:

> "Price capping is the most radical price intervention and would involve us making difficult judgements about the appropriate price we regard as consistent with good consumer outcomes. However, we consider that it is an option that should remain open."

[Mr Edward Davey]

The Government have also launched a review of consumer credit and personal insolvency, which takes an end-to-end view from the decision to borrow to how we support people in difficult circumstances and help them to resolve their debt. It looks, for example, at the advertising of credit, which has been mentioned by several hon. Members.

I cannot give any undertakings today about what will emerge as a result of those reviews, because we are still considering the evidence. Nothing has been decided and it would be irresponsible of me to stand here today pre-empting their results, but we are not afraid of taking action where the evidence justifies doing so. We will not hesitate to act where there is evidence of detriment to consumers or exploitation of them. The Government want poor households to be able to strike a better balance between how they save, insure and access credit, and we are looking at a lot of ideas.

For example, we believe that there are great gains to be had from collective purchasing. We are working with the insurance industry and social landlords to develop and promote affordable home contents insurance for social tenants. If those products succeed, they will enable many more households to claim back the cost of household emergencies, rather than relying on high-cost credit to replace essential goods if they are burgled or if a high-cost item, such as a washing machine breaks down. We hope that the trials of such products will commence in March or April this year. Such measures will not be an immediate solution, but they could help those on low incomes even more than caps on high-cost credit.

I come to the one specific issue that the hon. Member for Walthamstow wishes us to focus on: a cap on total credit. The motion calls on the Government to consider introducing a cap on the total cost that lenders can charge for credit. At first glance, that appears sensible. Yet, despite what she said, the evidence base for her new approach is limited, to say the very least. What seems sensible at first glance could have huge unintended consequences for those we are trying to help. Without a proper assessment of the evidence it would be rash and frankly negligent to rush into this proposal. We know that there have been studies carried out that show that an interest rate cap could have very detrimental impacts on the vulnerable—that was accepted by the previous Government. This year's OFT review of the high-cost credit market ruled out not just interest rate caps, but any price controls in the market. The EU review that the hon. Lady prayed in aid is ambiguous on this, to say the least.

A forthcoming study, which has not yet been published, has been undertaken by Policis. It has had the advantage of collaborating with Claire Whyley, chair of the credit sub-group of the Financial Inclusion Taskforce and chair of the FSA consumer panel, and Paul Jones, who is the leading expert on social lending. The study concludes by saying that if a cap were to be constructed to take in the total cost of credit, including penalty charges and similar, more of those on low incomes would be likely to find access to mainstream options restricted or curtailed altogether. That is the only evidence I have seen that deals with this issue in detail. We have to assess these issues, because the hon. Lady's proposals do not do what she claims. We need to gather evidence and properly assess it, and I reassure the House that we will do that. When we have analysed the evidence and got the results of consultations, we will report back to the House. We will not be afraid of taking tough measures if they are required.

3.45 pm

Stella Creasy: I want to put on record my thanks to all Members who have taken part in today's debate. The fact that 21 Back Benchers have come to speak and that there has been broad agreement suggests that this issue cannot be ignored any longer. I note the exceptions of the hon. Members for Solihull (Lorely Burt) and for Eastbourne (Stephen Lloyd) and their concerns. They might want to reflect on their ability to add heat to a subject that requires light. That is the challenge we face today.

I am deeply disappointed by the Minister's approach to the debate. He offers so much and at the last minute takes it away. To talk about the discussion on total cost credit and then quote from an industry-led report that has been funded and supported in that way is a shame. Notwithstanding that, I hope he will accept that the broad support from Members today shows that there is agreement that there is a problem that needs to be addressed, and that the measures brought forward so far have not been satisfactory. The issue, then, is how we should proceed.

I had hoped to convince the Minister today that the Opposition's proposals, to which the motion speaks, are rooted in evidence—recent evidence that he has previously put forward to me to support his case. I note that he has changed his mind now, but perhaps he will change it again. The big truth at the heart of this issue is that the longer the Government linger, the more problems will deepen. I go back to the point that nearly half of households, as a direct result of the economic conditions we are in, are struggling to make ends meet, and that 10% of them are borrowing from the people we have been discussing. The longer we fail to act, the more these rates will cripple families across the country, so I urge him not to reject the proposals simply because of an ideological objection to regulation. Regulation done well has been supported by Hayek.

I also urge the Government not to reject the proposal simply because it comes from the Opposition. I say to the Minister: "You may have used your party to delay progress to date, but you will not stop the pressure from the people of this country for something to happen. That has been very clear today. You have left your own Back Benchers uncomfortable by forcing prevarication, but please do not leave that wound to fester. Work with all of us who would support and encourage a form of capping. We will not let you throw these proposals out and we will do what we can to continue this debate and keep this issue alive. We will hold you to account because our constituents demand and need nothing less. If only the Government stand in the way of progress, I urge them to reconsider. Please support the motion as it is and do not amend it. Please show clear leadership and send a clear signal to our constituents that you are not in the pocket of the legal loan shark industry but that you stand as we do with the poorest consumers in this country, seeking action now." I tell the Minister

honestly that if he does that and makes a clear commitment to doing that today, we will applaud him; if he does not, we will never forgive and we will never forget.

Question put, That the amendment be made.

The House divided: Ayes 271, Noes 156.

Division No. 190] **[3.48 pm**

AYES

Adams, Nigel
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Mr Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, Mr Simon
Burrowes, Mr David
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Featherstone, Lynne
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Garnier, Mark
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Greening, Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Mr Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Mr Marcus
Kelly, Chris
Kirby, Simon
Lamb, Norman
Lancaster, Mark
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Menzies, Mark
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Ollerenshaw, Eric
Ottaway, Richard
Parish, Neil
Patel, Priti
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, Nicholas
Soubry, Anna
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Syms, Mr Robert
Thurso, John
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah

Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Andrew Jones and Andrew Bingham

NOES

Abbott, Ms Diane
Abrahams, Debbie
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Bain, Mr William
Balls, rh Ed
Barron, rh Mr Kevin
Bayley, Hugh
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brown, Lyn
Brown, rh Mr Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Cairns, David
Campbell, Mr Alan
Chapman, Mrs Jenny
Clark, Katy
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Corbyn, Jeremy
Creagh, Mary
Cruddas, Jon
Cunningham, Alex
Curran, Margaret
Dakin, Nic
Davidson, Mr Ian
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Engel, Natascha
Esterson, Bill
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hain, rh Mr Peter
Hanson, rh Mr David
Harman, rh Ms Harriet
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
Jamieson, Cathy
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, Mr Elfyn
Lucas, Caroline
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McDonnell, John
McFadden, rh Mr Pat
McGovern, Alison
McGuire, rh Mrs Anne
Meacher, rh Mr Michael
Meale, Mr Alan
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Morden, Jessica
Morrice, Graeme *(Livingston)*
Mudie, Mr George
Murray, Ian
Pearce, Teresa
Perkins, Toby
Pugh, John
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Jonathan
Robinson, Mr Geoffrey
Ruddock, rh Joan
Sarwar, Anas
Seabeck, Alison
Sheerman, Mr Barry
Shuker, Gavin
Singh, Mr Marsha
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Soulsby, Sir Peter
Spellar, rh Mr John
Sutcliffe, Mr Gerry
Tami, Mark
Thornberry, Emily
Timms, rh Stephen
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watson, Mr Tom
Weir, Mr Mike
Whiteford, Dr Eilidh
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wright, David

Tellers for the Noes:
Stella Creasy and John Woodcock

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved,

That this House notes with alarm recent evidence showing a fourfold increase in the use of payday lending since the beginning of the recession and that high cost credit lenders advanced approximately £7.5 billion to low and middle income consumers in 2008 alone; recognises the problems of financial exclusion, lack of financial and debt management education, lack of price competitiveness in the unsecured lending market and the near monopoly positions of many large lenders which contribute to the high costs of borrowing; considers that without action these factors could worsen family debt, poverty and financial difficulties to the detriment of the economic recovery; therefore calls upon the Government to introduce measures to increase access to affordable credit; urges regulators to consider putting in place a range of caps on prices in areas of the market in unsecured lending which are non price-competitive, likely to cause detriment to consumers or where there is evidence of irresponsible practice; and believes that such caps should take account of the desirability of maintaining access to affordable and responsible credit, the likely impact on the supply of credit and the cost of enforcement, that they should be regularly reviewed and that they should use the total cost of credit, calculated on a yearly basis, to ensure that lender avoidance and distortions in price are prevented.

Legal Aid Reform

4.3 pm

Yvonne Fovargue (Makerfield) (Lab): I beg to move,

That this House has considered the matter of the reform of legal aid.

I thank the Backbench Business Committee for agreeing that this important topic be debated prior to the closure of the consultation on proposals for the reform of legal aid in England and Wales. The consultation paper proposes to cut an estimated £350 million from the civil legal aid budget. Roughly two thirds of those cuts are directed at people who are currently legally aid-able, and one third will come from remuneration cuts to providers, who are expected to do the same work but for less money.

Some £279 million will be cut from civil legal aid, and about half a million people will lose their entitlement to legal aid. The majority of them come from low-income households, and the Ministry of Justice's own equality impact assessment acknowledges that they will be predominantly women, black and minority ethnic people and ill and disabled people. However, while the consultation acknowledges this, it also says that it is not just about cost but that it is the "right thing to do". I believe that I can demonstrate that both the cost argument and the statement that it is the "right thing to do" are incorrect, and that the implementation of these proposals to reduce civil legal aid will hit the poorest hardest, increase the cost to other public bodies, and have a potentially catastrophic effect on not-for-profit advice agencies, including citizens advice bureaux and law centres.

Keith Vaz (Leicester East) (Lab): I congratulate my hon. Friend on securing this debate. Does she agree that one of the issues that should be addressed is poor decision making by public authorities, particularly in immigration, where the UK Border Agency fails to make good decisions based on good evidence? That is why people have to go to the tribunal, and that is why they need legal aid.

Yvonne Fovargue: I thank my right hon. Friend for that comment. I will come to that later when I suggest some ways of saving money in the system.

Whole swathes of advice areas are removed from the scope of legal aid, particularly the social welfare law category. Welfare benefit is removed completely from legal aid. According to the Ministry of Justice's own equality impact assessment, 63% of clients who received legal aid in this category had a disability, 54% were female and 27% were from a black and minority ethnic background. However, this is justified by stating that the

"accessible, inquisitorial and user friendly nature of the tribunal means appellants can generally present their case without any assistance".

It also states:

"Advice and help are available from a number of sources including Job Centre Plus and the Benefits Enquiry Line".

So people who have had their claim refused by Jobcentre Plus or the Benefits Agency are to go to them for support in challenging the decision and they will help them. I have to say that that is not the experience I had when I worked for an advice agency.

Stephen Lloyd (Eastbourne) (LD): On the basis of what the hon. Lady has said, which I support entirely, would she be interested to know that Brighton Housing Trust's Eastbourne advice centre deals with at least 800 specialist housing cases per year and anticipates that this will fall to about 100? Are we really expecting Jobcentre Plus to take up the slack?

Yvonne Fovargue: Yes, I totally agree. In fact, my local citizens advice bureau has phoned the Benefits Agency 100 times and has had no response apart from saying that everyone is busy.

These issues are not considered of sufficiently high importance, but when a person is ill or has a disability one of their major concerns is having an adequate income to enable a decent quality of life. The early advice available under this funding can save money. Some 80% of social welfare legal aid cases have positive outcomes for clients. In the agency where I worked, 70% of our reassessment appeals were successful, and that negated the need for a costly tribunal.

I would like to debunk the myth that these cases are not complex. My own CAB in Wigan dealt with a case for three years where the Department for Work and Pensions asserted that a couple were living together as man and wife, despite evidence from a neighbouring local authority that Mr M was resident there and receiving benefits, and that he merely visited to look after his disabled daughter, assisting with her care on occasion. Mrs M was summonsed for benefit fraud, convicted, and ordered to repay £27,000. The CAB continued with the case, appealed three times, and went to the Secretary of State. At the final appeal, Mrs M was found to owe £236—a reduction of more than £26,500. Was that a complex case? Would it be suitable for a telephone helpline? I do not think so. That client needed the face-to-face help given by a skilled CAB adviser and was funded by legal aid.

Lilian Greenwood (Nottingham South) (Lab): I congratulate my hon. Friend on securing this debate. Does she agree that the suggestion that legal advice could be provided over the phone fails to understand the level of support that is provided by many legal representatives, particularly when they are dealing with vulnerable groups such as asylum seekers and refugees—often people who face persecution, are separated from their family, and perhaps do not have English as a first language?

Yvonne Fovargue: I agree with my hon. Friend. In times of stress, people often need the support of a friendly face.

For every £1 of legal aid expenditure on welfare benefits in the Wigan borough, £20.50 per year of additional benefit is obtained for clients. Nationally, for every £1 of legal aid expenditure on welfare benefits, the state potentially saves £8.80.

Paul Farrelly (Newcastle-under-Lyme) (Lab) *rose—*

Yvonne Fovargue: I would like to make a little progress, because the debate is quite late.

[Yvonne Fovargue]

Debt is another area that will be removed from the scope of legal aid, except for cases in which the client's home is at immediate risk. The impact assessment shows that 55% of debt clients are female and that 30% are likely to have a disability. Yet again, the consultation paper states that, although debt problems are important to the individual, they are not important enough to warrant legal aid funding.

I have seen the effects of debt on individuals, and the cost—both human and to the state, including to the NHS—of not resolving debt issues at an early stage. A project that I was involved in used a recognised NHS scale to monitor stress levels before and after the advice process dealing with unsecure debts. The primary care trust believed that in the first nine months of the project, three suicides had been prevented. At what cost? In Wigan, the citizens advice bureau deals with 616 debt clients per year at a cost of £123,000 to the state. It reschedules £4.83 million worth of debt and writes off £3.47 million worth. For the expenditure of £123,000, £367,000 is saved.

I support the expansion of financial education into schools and communities, but that will not assist people who are in debt now. My experience is that when the issue is raised in schools, more parents arrive at the advice agency's door because they are made aware that there is somewhere to go. They almost feel that they have got permission to go there.

Paul Farrelly: Every conscientious MP knows the value of citizens advice bureaux. Quite simply, without them, our offices would be swamped. That prospect awaits us. My hon. Friend has highlighted the situation in Wigan. Citizens Advice has highlighted that 730 fewer people will receive specialist debt advice in Stoke-on-Trent, 1,280 fewer in my area of Newcastle-under-Lyme, and more than 1,500 fewer in north Staffordshire. Does she agree that this is not only a false economy, but a heartless cut?

Yvonne Fovargue: I agree with my hon. Friend. I will go on to give some figures on the impact that the proposals will have on advice agencies.

Agencies that provide telephone advice such as National Debtline have a great role to play, but they cannot replace face-to-face advice, as my hon. Friend the Member for Nottingham South (Lilian Greenwood) said. The reality is that people need to sit down with an adviser. They need the reassurance and trust of a relationship that is built up over time.

There is a reason why social welfare law problems, including employment, housing, debt and benefits, were given primarily to advice agencies: the interlinking of those problems. Limiting the scope and the type of the problems that advisers can deal with limits their ability to deal with the whole person and with all their issues. For example, legal help might prevent somebody from losing their home because of debt, but it will not address the causes of that debt, such as unfair dismissal or a refusal of sickness benefits. I could give examples of many areas that are taken out of the scope of such help, but I believe that colleagues will mention them. The list is extremely long and access for the most vulnerable is severely curtailed in many cases.

I shall turn now to the effect on citizens advice bureaux and not-for-profit providers. The Ministry of Justice estimates that this sector will lose 97% of its legal aid funding. Currently, local citizens advice bureaux receive £26 million of legal aid funding, with the largest amounts being spent on debt and benefits. If the proposals are implemented, £20 million will go in one fell swoop and there will be a significant impact on the ability to deliver not only legal aid-eligible services but all other client services. A survey undertaken by Citizens Advice showed that if the proposal went ahead, 80% of local bureaux would have to withdraw specialist services, 85% would have reduced capacity to meet clients' needs and, most shockingly, 51%—more than half—felt that there would be a risk to the continuation of the whole CAB service in their borough.

Legal aid funding cannot be treated in isolation from other sources of advice funding, especially as the consultation assumes that people can access other services to pick up the slack. The free advice sector is suffering disproportionately from public funding reductions, and even agencies such as the Royal National Institute of Blind People, which have no legal aid funding, have approached me to say that they could not deal with any increase in demand for their services due to the impact of the proposals.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The hon. Lady is making an eloquent case, particularly on behalf of organisations that are currently giving evidence on these matters to the Select Committee on Justice. Does she recognise that there ought to be some scope for funding to be provided for an examination of the sources of some of the problems on which advice is being sought, whether they are public bodies that make poor decisions, as the right hon. Member for Leicester East (Keith Vaz) rightly pointed out, or the banks?

Yvonne Fovargue: I totally agree that there is scope for other funding provision, but that has not been available yet. In fact, provision is being withdrawn because of the withdrawal of funding for face-to-face advice from citizens advice bureaux.

Kate Green (Stretford and Urmston) (Lab): Does my hon. Friend also accept that the need for advice is rising in the current economic climate, particularly on employment, social welfare benefits and debt?

Yvonne Fovargue: I completely agree. This is a time of great change for many clients, and the need for legal help is even more vital.

The suggested resolution to the problem is the community legal advice helpline, the gateway to civil legal aid services that will offer non-eligible clients access to paid services. First, I wish to take issue with the premise that the legal aid scheme has expanded beyond its original intentions. Actually, the Legal Aid and Advice Act 1949 was promoted with very wide objectives, which were explained as being intended to provide

"legal advice for those of slender means and resources so that no one will be financially unable to prosecute a just and reasonable claim or to defend a legal right".

I am not convinced that a gatekeeping telephone helpline will promote that.

Access to telephone advice is important, and I would welcome any expansion of it, but it has to be implemented in tandem with face-to-face services. Clients need to have that choice. The community legal advice helpline uses an 0845 prefix, which is very expensive from a pay-as-you-go mobile. Many people with learning disabilities or mental health issues prefer to attend in person, to pick up on non-verbal signals and build the trust necessary to tell the advisers their problem. Citizens advice bureaux make a particular effort to reflect the communities that they serve, and that is why people use their services.

As an aside, I should like to mention volunteers, who are mentioned in the consultation paper as another way for people to pick up advice if the proposed changes are made. However, I do not believe that that is true. Volunteers work best and most confidently when they are supported and encouraged by specialists. It was only when that support was provided that the number of volunteers and the depth of the work that they undertook increased significantly in the bureau that I managed.

There are opportunities to save money in the justice sector without placing the burden on front-line services. The Ministry of Justice intends to reform the Legal Services Commission, and there is a large amount of bureaucracy in the administration of legal aid. I spent 60% of my time managing 30% of the money that I got. A lighter-touch procurement, auditing and payment mechanism could be found, and that needs to be considered seriously.

Karl Turner (Kingston upon Hull East) (Lab): On the point about volunteers, many of my colleagues in my chambers, and in local firms of solicitors, volunteer their services to advice bureaux regularly. The incidence of that will diminish given the dreadful cuts to those firms' legal aid and the fact that they cannot take on trainees as a result of the cuts. Advice is diminishing drastically as a result of the Government's cuts.

Yvonne Fovargue: I agree with my hon. Friend that pro bono advice provision is important, but it is not available in all places. In fact, in the conurbation that I served, there was no pro bono advice.

It is also important to decrease the need for civil legal aid by addressing poor decision making by public bodies and avoiding the need for tribunals. We should take the lawyers out of tribunals, make legal processes simpler and improve public legal education. Early advice saves money and keeps cases out of the courts. We should look to fund that kind of advice instead of salami-slicing and looking at administratively convenient categories of problems. Advice provision needs to be organised around people's real needs and their need to be treated as an individual, not as an individual problem.

Access to justice is one of the cornerstones of a free and civilised society. It is vital that everyone, particularly the most vulnerable, has equal access to the law, no matter who they are, where they live or how much money they have. The Government's consultation proposes to remove access to justice for the most vulnerable. Is that access to justice, or justice denied?

Several hon. Members *rose—*

Mr Speaker: Order. More than 20 hon. and right hon. Members have applied to speak in the debate, as a result of which I have imposed a limit of five minutes on each Back-Bench contribution. I simply remind Members that they are not obliged to use their full five minutes if they do not wish to do so. I am keen to get everyone in, but Members need to help me to help them, and to help each other.

4.21 pm

Anna Soubry (Broxtowe) (Con): I declare an interest at the outset, because as you and others may know, Mr Speaker, until my election in May, I worked for 16 years as a criminal barrister in Nottingham and other places such as Leicester and Derby.

It is important to remember that there is a need to make cuts in public expenditure—that is common ground in the House. We have had many debates on where the blame for that lies, and we could continue them, but I suggest that that would not be helpful this afternoon. We are where we are. No Government Member welcomes having to make such cuts, but we have the largest deficit of any G20 country and, with considerable regret, the Government have been left in a position in which they have no alternative but to make severe cuts in public expenditure, including on legal aid.

Debbie Abrahams (Oldham East and Saddleworth) (Lab): Does the hon. Lady accept the Citizens Advice report that says that the Government's proposals will not only limit access to justice but increase public expenditure?

Anna Soubry: I do not know about the latter point. I have been in contact with the citizens advice bureau in Broxtowe, and I have made it very clear to Nottinghamshire county council that it is imperative to exercise great care in cutting the budget of that CAB. The Prime Minister and the Lord Chancellor have spoken about that and it is recognised that citizens advice bureaux do a magnificent job. Every Member of the House knows that, because their case loads would increase enormously without them. There is a danger that in these difficult times, they will have to deal with more cases, and it is imperative that they have the resources they need.

Stephen Lloyd: Does my hon. Friend agree that the role of citizens advice bureaux is preventive and enabling? They focus not on generating unnecessary litigation, but on preventing crisis. Therefore, properly resourced citizens advice bureaux will actually save money.

Anna Soubry: Good point, well made, if I may say so, Mr Deputy Speaker. *[Interruption.]* Sorry, did I say Mr Deputy Speaker? [Hon. Members: "Yes!"] That is outrageous. I apologise most sincerely, Mr Speaker.

I ask the Minister carefully to consider these cuts in legal aid. Many would agree with me that it is imperative that we ensure that the most vulnerable people in our society do not suffer when we make these sorts of cuts. It is also important to protect the interests of those citizens who cannot protect themselves, and I have two examples regarding the reduction in eligibility for legal aid in the family division.

[Anna Soubry]

A father who is denied contact with his children will no longer be eligible for legal aid. I submit that that cannot be right, not only because of the father's rights to see his children but because of the rights of the children, who have no access to justice. Their interests must be protected by society—they need to see their father. Likewise, if a mother has separated from the father of her children and he then threatens to take them overseas, she too will no longer be eligible for legal aid. That is not only unfair on her as she will not want her children taken overseas, but not fair on her children who will want to have contact with both their parents.

Former colleagues of mine at the Bar have told me that they have many concerns, including in the area of housing. Somebody who is living in squalid housing conditions will more than likely have been eligible for legal aid in the past. That will continue to be the case in many circumstances. However, my concern is that legal aid will no longer be available so that people in that situation can force a landlord to make repairs—to begin to solve the problem before it becomes the sort of problem that would still be eligible for legal aid.

I am told—I am grateful to my hon. Friend the Member for South Swindon (Mr Buckland)—that we are paying £24.7 million in legal aid for welfare claims. In my time in this House, it has struck me that one reason why so many people come to their MPs and to the CABs with their cases—and eventually have to go to the law—is the profound failings of the Department for Work and Pensions. One of the best things that we could do is ensure that that Department is working properly, efficiently and effectively, because that would save us considerable sums of money. As a new Member, I found it astonishing that we actually have MP-dedicated hotlines for our caseworkers to ring to sort out problems that should never have arisen but have done so because of the ineffectualness of the Department. I urge the Government to ensure that we sort that out.

Finally, I make a plea for the Bar, which has had no increase in fees for decades. Yet again the criminal Bar is being asked to reduce its fees by 10%. Prosecuting counsel who are prosecuting a rapist or a persistent dwelling house burglar will be paid a fixed fee of £60. Sometimes members of the criminal Bar work for less than the interpreter in court, and invariably they are paid considerably less than the medical expert who may be assisting them in their work.

I am grateful for the opportunity to contribute to the debate. I am sure that the Minister will have heard all these points and I look forward to the action that will result.

4.28 pm

Ms Karen Buck (Westminster North) (Lab): I congratulate my hon. Friend the Member for Makerfield (Yvonne Fovargue) on introducing this debate. She spoke with enormous clarity and mapped out the ways in which the cuts in legal aid will have an impact on our constituents. I also congratulate the hon. Member for Broxtowe (Anna Soubry) who made many points with which I agree, including a warning to beware labelling all lawyers as fat cats. Legal aid lawyers work extremely hard for relatively modest remuneration, and we should remember that.

I do not wish to repeat the key points that these cuts represent a false economy; that there are real dangers in taking whole areas out of the scope of legal aid because so many cases are complex, and cases such as debt and housing run into each other and cannot be separated out; or that there are limits to the value of phone advice. These are very important points, but I will not dwell on them further.

I want to make three further points. First, if there was ever a time to be scaling back on legal aid, particularly in civil and social welfare law, this is not it. We are seeing massive upheavals in public service delivery: in education, to which I will return; in housing, through the proposals in the Localism Bill, which will introduce short-term tenancies; in welfare, with £18 billion being taken out of the welfare budget through the cuts in housing benefit; in disability benefits; and, as mentioned, in rising unemployment and the broader economic context.

Rehman Chishti (Gillingham and Rainham) (Con): Does the hon. Lady not accept that the current cost of legal aid is unsustainable? We are spending £38 per head of population on legal aid, whereas in Australia it is £9, and in France £3. These reforms are therefore essential to get our economy back on track.

Ms Buck: There are so many points with which to respond to that intervention. We cannot compare systems between countries. It is not helpful because the legal systems and the delivery of legal aid support are so different. The Labour Front-Bench team are willing to discuss the legal aid budget, particularly in some aspects of criminal legal aid. There are areas in which savings can be made, but I am particularly concerned about civil and social welfare law.

My second point, which was made strongly during an earlier Westminster Hall debate, concerns the impact of these cuts—given the speed and depth at which they are being made—on the legal aid firms, law centres, citizens advice bureaux and other advice agencies. In many cases, they draw on legal aid for part of their funding. The removal of legal aid funding is like a game of Jenga: we start pulling out the sticks and the whole edifice is in danger of collapse. I think we will see a massive, unplanned spate of service closures across the country, and we will not be able to control where they happen. There will be advice deserts, and many of our constituents will struggle as a consequence.

I will provide an example of what I am talking about. This reform is being delivered at the same time as cuts in local authority spending. The London grant scheme is being repatriated to the boroughs without ring-fencing, which means that advice services in London are at the whim of local boroughs that are themselves under pressure. Therefore, the grant funding that should complement the Legal Services Commission funding is unlikely to be there. That will clearly impact severely on citizens advice bureaux and law centres. As has been said, politicians will regret taking this decision. I am already seeing—I am sure that other hon. Members are seeing it too—people coming to me for what should be a legal advice and representation service that in many cases we are not qualified, and certainly not resourced,

to provide. I predict with absolute certainty that our surgeries will be flooded with more and more desperate and angry people who cannot get the proper representation they should.

Finally, I want to touch on the disproportionate impact on women, children, people with disabilities and people from black and minority communities. We know from the scope of the areas affected that these cuts will fall most heavily on them. We have heard about family law and asylum-seeking communities, particularly asylum-seeking children, who will be left at risk because of these cuts. However, I want to make a particular case for education and special educational needs. In my borough there is a particular problem of children without school places—350 were without a place before Christmas. Those children and their families need advice and representation, and the parents seeking to take action against their local authority for denying them a statement of special educational needs are a particularly vulnerable group. We know from the number of tribunals that succeed that 82% of parents' appeals that reach tribunal are upheld. The removal of assistance from those parents, many of whom simply do not have the skills or resources to make their own case, will mean that their children will not get the education to which they are entitled.

I urge the Minister to rethink many aspects of the proposals, in particular the narrowness of the scope that is being applied to legal aid cases and the arbitrary way in which the services are being withdrawn.

4.35 pm

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Makerfield (Yvonne Fovargue) on opening the debate and on setting out her genuine concerns about the impact that some of the changes could have on her constituents. I accept that, as a new Member, she can to some extent deny responsibility for what came before, because she was not a Member under the previous Government. I look around her, however, and see ex-Ministers who know full well that they would have been taking the same decisions as we are, and I find their tutting and shaking of heads intellectually extremely dishonest.

Mr Robert Buckland (South Swindon) (Con): I should like to reinforce that point. There were no fewer than 30 consultations on legal aid between 2006 and 2010, which gives the lie to the argument that there is a divide on this matter. Both parties were faced with the same challenges, so let us approach the debate on that basis.

Tom Brake *rose—*

Mr Speaker: Order. Before the hon. Gentleman responds to that intervention, I hope that he will confirm to me that he is not accusing any Member of being personally dishonest, because we cannot have that in the Chamber.

Tom Brake: Of course I am not accusing any ex-Minister of being personally dishonest.

I thank the hon. Member for South Swindon (Mr Buckland) for his intervention. I think that Members on both sides of the House regret the decisions that are having to be taken, but it is incumbent on Ministers and Members on this side to come forward with solutions. If the Opposition want to be taken seriously, they need to offer solutions as well.

Kate Green: Does the hon. Gentleman not agree that the solution that the Government are proposing—namely, the wholesale removal of significant categories of social welfare law—is the most damaging and unsatisfactory way to proceed?

Tom Brake: I hope that the Under-Secretary of State for Justice, my hon. Friend the Member for Huntingdon (Mr Djanogly), is listening carefully and that there might be some adjustments to what is being proposed. We need to hear solutions, however. We do not need to hear a list of concerns without it being followed by solutions. We all face this problem.

I want to use this debate as an opportunity to raise a couple of specific points, about which I have written to the Minister. I thank him for meeting me, Steve Triner and other representatives of my local citizens advice bureau to discuss their concerns about the proposals. I have also recently had meetings with three solicitors in my constituency office. Like other Members on both sides of the House, I too have received a wide range of briefings from various organisations. I received a briefing yesterday from the Equal Rights Trust, and I want to raise a specific point in that regard. I hope that the Minister will be aware of the points that have been raised with me, as I have already written to him about them.

The first point relates to medical negligence. There is concern about the impact that the changes could have, and whether particularly difficult and complicated medical cases for which the NHS would previously have taken responsibility might be passed over to social services, resulting in their having to take on the financial costs of, for example, the most serious obstetric mistakes involving brain damage in very young children. That is a very specific issue, and I hope that the Minister will be able to respond to it.

My second point relates to family law. Interestingly, in my meeting with the solicitors, they were not particularly concerned about the idea of a telephone helpline. They were, however, concerned about what would happen beyond that stage, in regard to referrals. They wondered whether there would be a means of identifying at the beginning of the process that someone could not be dealt with by telephone and that a face-to-face meeting would be required.

Annette Brooke (Mid Dorset and North Poole) (LD): Does my hon. Friend share my concern that people with mental health issues might not get equal access to justice when they are involved in family disputes?

Tom Brake: My hon. Friend makes a strong point, and I hope that Ministers will listen to such points in the debate and during the wider consultation.

In family law, people are rightly encouraged to pursue mediation in cases that are currently supported through legal aid. During the meeting, the point was made to me that Government bodies and associated organisations are often unwilling to pursue a route that involves mediation. Government Departments and associated bodies will be required to show a willingness to engage in mediation, if that is now the direction the Government are moving in.

[Tom Brake]

I have already made a couple of points about telephone advice, but there are also concerns about whether any local knowledge will be embedded in any telephone advisory service, and about conflicts of interest that might arise as a result of that, particularly if there are a limited number of suppliers to whom a case can be referred.

During the meeting, CAB representatives expressed the concern that they would now be in the position of having to take up very personal cases, and therefore be very much in the front line rather than acting as an independent body, so they might end up having to represent a particular individual against the other party in the case. They are worried about how that would impact on their independence. They are also worried that a lot of court time would be lost, particularly if more people ended up representing themselves. There is a good job to be done in making that process clearer and simpler, so that if more people do represent themselves there is less risk that they fail to turn up with the right papers or on time.

Mrs Helen Grant (Maidstone and The Weald) (Con): The hon. Gentleman says these changes rely on people being able to help themselves, but what about people with learning difficulties or mental health problems, or people who cannot speak English very well, and what about people who are too frightened to face their opponent?

Tom Brake: I thank the hon. Lady for that intervention. The Minister has heard those concerns, and I hope he will seek to address them.

The chair of my local CAB has highlighted the fact that the financial inclusion fund will close at the end of March. I understand that transitional funding proposals are being looked at, and perhaps the Minister can respond on that point.

The Equal Rights Trust raised with me the issue of stateless people, who will now be unable to claim legal aid unless they apply for asylum. Some unexpected consequences may flow from that. I hope the Minister will respond to that point at the end of the debate.

This is clearly a very difficult issue for the Government, and I know the Minister will do everything he can to address it effectively. We do not like being in the position we are in, but we have to address this issue now.

4.42 pm

Mr Ben Bradshaw (Exeter) (Lab): I congratulate my hon. Friend the Member for Makerfield (Yvonne Fovargue) on securing this important debate and commend her for her excellent speech.

Given the welcome fact that so many Members want to contribute, I will confine my remarks to the impact of the Government's proposals on my local citizens advice bureau in Exeter, whereby it would lose all its welfare benefits funding, and funding for debt cases would be restricted to instances where there is an "immediate risk" of homelessness. Taken together, my CAB estimates that the changes will affect up to 700 cases a year in Exeter alone. The director of Exeter CAB, Steve Barriball, has described as "perverse" the fact that the Government are proposing to fund debt advice only when the client faces an immediate risk of homelessness. He says:

"It is widely accepted that timely intervention is more productive and reduces costs elsewhere, such as County Court repossession and other action."

As other Members have said, these changes represent a terrible false economy, and in the case of Exeter they come at the same time as the local authority, Devon county council, is proposing to cut its support to the CAB by a massive 20%, as part of its attempt to grapple with a 27% reduction in funding from central Government. Yet it is estimated that for every pound of public money spent on CAB services, the CAB saves the public purse £12.20.

Mr Pat McFadden (Wolverhampton South East) (Lab): I appreciate what my right hon. Friend is saying about his local citizens advice bureau. In Wolverhampton, the citizens advice bureau handles some 1,600 cases a year that are funded by such help, involving 26 employees. The local director has said:

"The CAB would effectively go back 20 years in its development"

if the current proposals go through. In response to the hon. Member for Carshalton and Wallington (Tom Brake), who spoke a few moments ago, would my right hon. Friend care to contrast those proposals with the record of the Labour Government, who increased the funding to citizens advice bureaux when the recession was coming, precisely because we knew that there would be a greater need for debt advice as economic times got tough?

Mr Bradshaw: My right hon. Friend is exactly right. Indeed, I was about to make the point—gently, I hope—to the hon. Members for Broxtowe (Anna Soubry) and for Carshalton and Wallington (Tom Brake) that it is not good enough for Government Members to excuse every cut that this Government are implementing by talking about the need for fiscal consolidation. There is a clear choice to be made about the speed and degree of fiscal consolidation, and there is growing evidence that the speed and degree of fiscal consolidation being pursued by this Government is not only damaging important services such as the CAB, but damaging our economic recovery. All hon. Members need to do—

Rehman Chishti *rose—*

Mr Bradshaw: No, sit down.

All hon. Members need to do is look across the Atlantic at the example of the United States under Barack Obama, who is pursuing a Keynesian economic policy, like the one that we advocate, where growth was 3.5% in the last quarter, as opposed to a 0.5% contraction here. So please, let us have no more lectures from Government Members about there being no alternative to these savage cuts.

For all the Government's rhetoric about the big society, the CAB is the big society in action. It is staffed mainly by volunteers, helping everyone, and in particular the vulnerable, and saves the state millions of pounds in the process by ensuring that people in difficulty do not fall into crisis, the fallout from which the state then has to pick up. The Government's proposed changes to legal aid and their impact on the work of CABs such as mine

in Exeter will have a deeply damaging impact on the fabric of our communities and will cost us all far more in the long term. I therefore urge the Government to think again about this short-sighted and false economy.

4.46 pm

Paul Uppal (Wolverhampton South West) (Con): I, too, thank the hon. Member for Makerfield (Yvonne Fovargue) for introducing this debate. In the spirit of the sentiments expressed by my hon. Friend the Member for South Swindon (Mr Buckland), I want to take part not in a partisan way, but on the basis of trying to progress the debate. Other Members have spoken about employment, welfare benefits, education and immigration, but it is on clinical negligence that I wish to express some of the views that I have encountered at my weekly surgeries.

The Government's view is that if legal aid for clinical negligence cases is removed, alternative funding will be available in the form of conditional fee arrangements, which will be funded on the basis of a success fee and after-the-event insurance. Under Lord Jackson's reforms, such fees will be unrecoverable from the losing party. The point that has been made to me, which I wish to highlight to the Minister, is that if legal aid is withdrawn and cases have to be funded by conditional fee agreements with insurance, there will be instances where the cost to the public purse may well be higher. For example, a solicitor at my surgery told me about a cerebral palsy case that was settled for more than £3.75 million. The costs involved were more than £100,000. The case was legally aided, but if it had been funded through a conditional fee arrangement, with, say, a recoverable success fee of 60%, the total costs would have been £160,000. There would also have been a substantial after-the-event insurance premium, so the case would have cost the public purse far more than if it had been funded by legal aid. That is the position where cases are successful, and where the Legal Services Commission does not pay anything.

I appreciate that some Members may have not followed the full argument, and I apologise for using legal jargon, but the fundamental point remains that although we may be saving legal aid costs, we may end up paying more into the national health service budget to cover legal fees and insurance premiums. In essence, we will have public money chasing public money, in a circle that will not deliver legal justice on a value-for-money basis. The counter-argument is that if Lord Jackson's recommendations are implemented in full, there will be no increase in costs, as success fees and after-the-event insurance premiums will not be recoverable from the losing party. However, Lord Jackson has recommended that damages be increased by 10% to make up for the shortfall in solicitors' costs, with a 25% cap to be deducted from damages. In the cerebral palsy case that I have mentioned, that means that the damages would have increased by £375,000, which would be an alarming escalation in public funds paid.

I appreciate the difficulties caused to the Government by the escalating drain on the public purse, and I suspect that many measures relate to concern about the costs incurred by solicitors who are chasing ambulances or investigating spurious, unviable and unsuccessful cases. However, I will say to the Minister, who I know has a great deal of expertise in this field, that clinical negligence cases are now conducted by a small group of specialist solicitors who focus on dealing with complex cases. It is increasingly rare for solicitors to tread the old route of simply applying for investigative help certificates for every client who walks through the door with a potential claim, because the cases are just not viable.

The special cases unit of the Legal Services Commission, which is based in Brighton, now seems to apply a robust criterion to all applications for LSC funding in order to ensure that cases with merit are granted funding. David Keegan, director of the commission's high cost cases unit, has said:

"We need to ensure that access to justice is as wide as possible and it is in the best interest of clients."

I would add only that those objectives must be reconciled in the most cost-effective way possible.

I think it pertinent that Lord Jackson's objective in conducting his year-long costs review was to make recommendations for the promotion of access to justice. If legal aid is no longer available, the costs may become disproportionate.

I am acutely aware of the Government's laudable intentions, but I worry about unintended consequences. The point that has been made to me most forcefully, time and again, is that if we genuinely want to save costs, it is imperative for the national health service litigation authority to make early admissions of liability rather than protracting settlement of cases. What tends to happen is that no one in a hospital wishes to admit negligence, and a game of bluff develops. Solicitors and the NHS Litigation Authority conduct a legal battle, which is often settled at the last minute. That is why we see headlines about cases involving liability claims amounting to tens of thousands of pounds running up legal bills of hundreds of thousands of pounds. Like most people, I cannot understand the logic of that. In such cases, early settlement would avoid a pointless game of poker with our money, the emotions of patients, and the good will of staff in the NHS.

4.51 pm

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): I congratulate the hon. Member for Makerfield (Yvonne Fovargue) on securing time for this important debate. I declare an interest as one who has in the past undertaken publicly funded work both as a solicitor and as a barrister.

I am a member of the Select Committee on Justice, which is ably chaired by the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) and which is currently conducting research into this issue. We have received an unprecedented amount of evidence from concerned groups, and I shall voice some of their concerns in the limited time available to me.

I believe that the proposals in the Government's consultation document are unethical, and will have long-standing and drastic effects on the make-up of our legal system. They will effectively pave the way for the creation of a "market" for the supply of legal assistance, and I believe that the quality of the assistance that is available will decrease. As a result, the wealthiest in society will be okay while those who are not wealthy will not.

The consultation document notes—with, I believe, unintended irony—that

"access to justice is the hallmark of a civilised society".

[Mr Elfyn Llwyd]

We must do all we can to uphold that principle, but the proposed reforms will cause the legal aid market to be driven by cost rather than by the needs of clients and the quality of advice that they are given. I believe that a move to fixed fees for all cases will result in suppliers taking only the least complicated cases, which will mean that the most vulnerable will be more frequently left without legal advice. The need to generate profits will lead to firms taking on unqualified staff, which in turn may well lower the quality of service.

Gwynedd Law Society has written to me drawing attention to a real danger in Gwynedd and Anglesey, where, for a population of approximately 190,000, only 10 firms currently provide civil legal aid. There are no large firms in the area. Most of those firms assist clients in both Welsh and English.

The cuts in legal aid will be felt deeply in many areas of society, but the worst effect will be on the most vulnerable, which is extremely worrying. There is a letter in *The Times* today signed by a number of experts in family law, among them Stephen Cobb QC, chair of the Family Law Bar Association, and David Allison of Resolution. I cannot read the letter into the record, much as I should like to, but I commend it to Members.

Family lawyers will undoubtedly be giving up in droves, creating advice deserts, and it is our children who will suffer. I have with me several case studies showing that under these proposals mothers will be able to do nothing where children are not returned to them in certain circumstances. I find it very worrying that legal aid will be removed for ancillary relief in divorce cases. Most pressingly, ancillary matters such as child custody and maintenance will not be dealt with sensibly, and it is difficult to overestimate the devastating effect this will wreak on children caught up in these disputes. Indeed, the psychological effects that can be wrought on children when care is not taken in resolving disputes can be deep and long lasting. The justice system has a duty to protect the most vulnerable in our society—that was, of course, one of the founding principles of legal aid. Who are the most vulnerable in society? I would say that it must be our children. Overwhelmingly, the impact of the proposals on the most vulnerable members of our society will be catastrophic. I am talking about people receiving advice on debt, housing and welfare, as well as children standing in the middle of these disputes.

We must not allow these changes to be made. In the name of decency, ethics and providing decent cover for those less able to look after themselves, we cannot allow them to be made. We must not hold such an integral component of our justice system hostage to efficiency savings. If we do so, the effects will be brutal.

I ask the Minister to respond to one last point. I hope that this consultation will be a real one. The one on court closures left me underwhelmed, because it was deeply unimpressive, flawed and probably pointless.

4.56 pm

Guto Bebb (Aberconwy) (Con): It is a privilege to contribute to this debate. I wish to discuss the impact on rural areas, including my constituency in north Wales. I also wish to associate myself with the comments made by my hon. Friend the Member for Broxtowe (Anna Soubry). I could just replicate a lot of what she said, but I wish to concentrate on the issues specific to north Wales.

One of the concerns among people in north Wales and certainly among people in my constituency is that these proposals have the potential to be another attack on services available in rural areas. Only one firm not based on the north Wales coast offers legal aid in my constituency. Therefore, only one firm inland offers such services. The consultation document would result in that firm giving up that provision, which would be a loss to the area, because people would have to travel to gain access to legal advice and legal services. In this age of high fuel costs and so on, there would, thus, be an added burden before people could even access services that might be available on the coast. People in rural areas are concerned about whether the proposals are, again, an indication of a Government retreating from offering services across the whole of this country, and that is an issue to address.

Another specific issue affecting my constituents in north Wales relates to the fact that they often try to access services in Welsh. This is a crucial point, because my constituency is fully bilingual. On the coast, 20% to 25% of people speak Welsh as a first language, but inland the percentage is significantly higher. When people are dealing with real issues of concern and are trying to access support at crucial times in their lives, their ability to access those services in their mother tongue is very important. The impact assessment highlighted that issue in relation to services in cities in England and in south Wales, but I wish to ensure that the Department is aware that there is an issue to address in relation to services provided in Welsh.

One of my concerns relates to the consultation document's reference to the need to provide a direct telephone line service. I am sure that the hon. Member for Dwyfor Meirionnydd (Mr Llwyd) is well aware that, although Welsh speakers would often prefer a service to be provided in Welsh, when they access services by telephone they almost feel that they have to speak in English first. When the service is available in their locality and they are able to walk into the offices of a firm that they know and have used in the past, they are able to talk to the solicitors in Welsh. The fact that we are proposing to offer so many legal aid services through the medium of a telephone line raises concerns about the provision of a fully bilingual service in a Welsh context.

Since I was elected in May, I have been astounded by the amount of quasi-legal casework. I find myself dealing with cases on which I am not qualified to offer advice or guidance. Before coming to the Chamber this afternoon, I asked whether my insurance as an MP would be sufficient to cover me when I am asked to offer legal advice and guidance. I have a real concern that as we are dealing with these significant changes to the provision of legal aid services, we are also looking at a significant reduction in the funding of citizens advice bureaux. As a result, MPs will end up dealing with cases that they are not qualified to deal with in a way that will be very unsatisfactory to the individuals seeking advice and guidance. That will also be very unsatisfactory for MPs, who could damage their reputation by offering advice and guidance that they are not qualified to give.

I recognise that the Government have to deal with the deficit. I am very pleased that the issue we are debating is currently under consultation, but that consultation has to be real. I shall certainly contribute to it, as will many members of the law profession in my constituency. My real concern is that if the proposals are not amended we will end up with a situation in which people in many parts of rural Britain and rural Wales do not have access to legal services. I am seriously concerned that some of the most vulnerable people in my constituency will have to access legal services only by telephone in a language that is not their mother tongue. I would find that unacceptable.

Several hon. Members *rose—*

Mr Speaker: Order. I remind colleagues that Front-Bench speakers will be called from 5.38 pm or thereabouts, so there is real pressure on time.

5.1 pm

Mrs Mary Glindon (North Tyneside) (Lab): First, I congratulate my hon. Friend the Member for Makerfield (Yvonne Fovargue) on securing the debate. Unlike her, I do not have any experience of giving legal advice or doing legal aid work, but I did benefit from the legal aid system many years ago when I successfully pursued maintenance payments for my daughter.

My reason for speaking in the debate is that I was alerted to the Government's proposed reforms by a constituent of mine who practises as a solicitor in a well-respected law firm in Newcastle upon Tyne. She spelled out to me just how devastating the cuts would be for many of my most vulnerable constituents who need legal aid now or might need it in future. The Government claim that they want to be fair, but removing the right to help with legal costs from those who need it to obtain appropriate representation when they are making a legal challenge is overtly denying those very people a right to justice. Indeed, the chairman of the Bar Council of England and Wales, Nicholas Green, QC, has described the cuts as a "shrinkage of justice".

Like many MPs, I have been contacted by a number of organisations on this matter, each making a case for retaining the £350 million in the legal aid budget. They were all concerned about the range of areas being taken out of scope because of the huge cut in funds being made towards 2014. The Law Society has stated that

"the civil legal aid scope cuts, in social welfare law, appear to be targeted against areas of law, which are most relevant to the poorest and most vulnerable members of society".

That is borne out by the information I have received from the director of the citizens advice bureaux that operate across the borough of North Tyneside, serving the constituencies of both North Tyneside and Tynemouth. He advised me that the cuts to legal aid are a double whammy, as the Government have just announced the end of North Tyneside CAB's financial inclusion fund from April this year. So, with cuts to legal aid, North Tyneside's CAB will lose two and a half debt specialist posts and one and a half benefit specialist posts, and the end of the financial inclusion fund means that a further four and a half posts will go.

Last year, our CAB handled more than 72,000 cases. Staff dealt with cases involving £25 million-worth of debt, not including mortgages, and managed to write off £4.5 million-worth of that debt for local people. Furthermore, with work carried out on benefits this year, the CAB in North Tyneside is projecting benefit gains of nearly £900,000. In the light of those figures, it is easy to imagine the hardship that will be caused by the loss of funding that to date has made such a difference to constituents, whose only avenue of help is the legal aid route.

Rehman Chishti: On page 5.5 of the 2010 Labour manifesto, on which the hon. Lady stood for election, her party committed to

"find greater savings in legal aid".

How does she intend to satisfy that commitment if she does not support the changes that the Government are bringing in?

Mrs Glindon: Our Front-Bench team do not deny that certain efficiencies had to be made. In fact, as was said previously, they committed money to help during the recession.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The problem with the proposed cuts in legal aid is that they are wholly counter-productive. The Government may save money in the legal aid budget, but they will incur expenditure in other budgets. There are ways to save money in the Ministry of Justice budget, and I will touch on them in my speech.

Mrs Glindon: Mark Almond made it plain to me that the work carried out by the citizens advice bureau with the help of legal aid funding definitely helps the most vulnerable—those whose lives are the most chaotic, or who have literacy and other language problems. Self-representation, as proposed in the Bill, is a non-starter for that group of constituents.

In debt advice, private debt advisers are not the answer. The Government's own study on private debt advice found that more than 80% of those businesses provide incorrect and inappropriate advice, often at a cost to the client, and that they refer clients to advisers who are, in fact, debt collectors. Do the Government really want to impoverish the poorest more by directing them down that path?

The most vulnerable would, again, not benefit from the proposed telephone helpline. In North Tyneside, it is estimated that fewer than 10% of citizens advice bureau legal aid clients would be able to access the system, because of literacy or language problems. Such a system could be considered only as an adjunct to the present system.

Through the work of Lord Carter's review, the Labour Government made efforts to find savings, always with the aim of striving to protect social welfare law. Labour Members believe that savings could be found in other areas to continue that protection. As the director of North Tyneside CAB told me, although losing jobs and expertise is a massive problem, his biggest regret is that the changes to legal aid will fail clients. The coalition Government need to take heed of this debate and of the views expressed by the many experts who are making the case for the 500,000 people who will lose out as a result of the cuts. The cuts are not fair and definitely not just.

5.7 pm

Amber Rudd (Hastings and Rye) (Con): It is interesting to observe in the remarks made by those on both sides of the House that we are not talking about lawyers. As the hon. Member for Makerfield (Yvonne Fovargue) said in her opening remarks, this debate is more about trained, local, part-time and sometimes voluntary advisers who step in to help the vulnerable in need of advice. They work in citizens advice bureaux and other organisations in the voluntary sector and, in my opinion, although often not lawyers themselves, they are a rare example of legal provision at a low cost to the public purse.

I accept that reductions are necessary in expenditure and in the deficit that is, as we know, costing us £120 million a day—a point well made by my hon. Friend the Member for Broxtowe (Anna Soubry). I am sorry the right hon. Member for Exeter (Mr Bradshaw) is not in his place, as I am sure he would challenge me on that and we could have an interesting debate. However, as each of us has only a few minutes to speak, I will plough on. The problem with the proposed cuts is that they will be expensive in the long run and that, as set out, they will not do what the coalition Government have set out to do, which is to protect and help the vulnerable.

I represent a town, Hastings, that is wonderful in many ways but deprived in others. The unemployment rate is high at 5.6%, compared with a UK rate of 3.5%, and we need the support of agencies to advise those on low incomes and the unemployed. In my town, agencies have formed consortia to win social welfare law contracts. They have vocal and powerful advocates who have been to see me. I mention in particular Julie Eason and, from the citizens advice bureau, Dina Christadoulis. They have convinced me of the need for the service that they provide. The average cost of what they provide to clients is £200 or less. Even if what they do takes three times as long, that is the cost—it is really good value. We need to make cuts, but that area of the front line is not the place for them. We should not be taking social welfare out of scope.

Stephen Timms (East Ham) (Lab): I agree with what the hon. Lady is saying. If legal aid is to be withdrawn as a source of funding for exactly the kind of work that she describes, does she accept that the Government really must find an alternative source elsewhere?

Amber Rudd: I am grateful to the right hon. Gentleman for that comment. I am speaking up on behalf of the agencies in Hastings precisely because I value the work that they do in helping the vulnerable there. I also make the point, as several Members have done, that removing the funding is not efficient for costs. He is absolutely correct that we need to find another source of funding in order to continue to protect those services.

The advice from those agencies is crucial to the clients, who in many cases cannot represent themselves. The agency I spoke with had kept records that showed clearly that 56% of its clients have a long-term illness or disability and that 68% have long-term mental health problems. I am worried that some of my most vulnerable constituents may really struggle to manage their casework and prepare for a tribunal hearing without the help of legal aid-funded services.

I welcome the simplified welfare system that the Government are working on. My right hon. Friend the Secretary of State for Work and Pensions has some excellent proposals that will be coming through, which I hope and believe will make the welfare system much simpler. Until then, we must recognise the situation we are in and acknowledge that errors are made and that vulnerable people who cannot represent themselves must be able to have some representation.

Another benefit of having agencies work with those clients is that they can recognise when there is no case. If we allow individuals to represent themselves entirely, some will clog up the tribunals. The agencies are very effective at discouraging people who do not have a case from progressing with it, so only the cases that merit the sort of attention that the clients are seeking actually get it. In Hastings, for instance, the consortia to which I have referred have not lost an appeal for a client for employment support allowance or incapacity benefit since last April, which is testament to their right choice of clients and their professionalism. Last year they provided a service to around 20,000 clients in my area, and collectively they have more than £270,000-worth of contracts, which represents more than half the advice sector in Hastings.

We all know that local government funding is under pressure, and a key element of the funding it provides is to citizens advice bureaux. Given the cuts to local funding and the proposals for legal aid, I am worried about the future viability of the agencies that do so much work and whose advice is critical in a town with above-average needs. The social welfare contracts account for only 4.5% of the total legal aid bill. The early intervention that they provide is critical; if the advisers get involved early, they can stop things escalating and stop individuals getting to the stage where they might lose their houses.

I urge Ministers to consider the costs and consequences of the proposed changes to legal aid. We need to find alternative sources of funding to support the agencies if they are no longer to receive funds from that source. I associate myself with the argument made by other Members that, unless we find alternative funding, those of us who, like me, are not lawyers will have to train up pretty quickly because of the size of casework that we will receive.

5.13 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): I congratulate my hon. Friend the Member for Makerfield (Yvonne Fovargue) on bringing forward this important topic for debate. For as long as I have worked in the community, legally aided lawyers and law centres have often been at the forefront of the fight for justice for marginalised groups who could not otherwise have made their voices heard. Those were often groups of people who were not necessarily getting help from their trade union, their councillors or their MP, because lawyers can often pinpoint issues, because of the cases coming to them, before they come to the attention of politicians. Because I know that so many legally aided lawyers and practitioners who work in citizens advice

bureaux and law centres are often extraordinarily dedicated, I deprecate the tendency of Governments of all colours—my Government were just as bad—to talk about legal aid just in terms of the money going to lawyers. On the tendency to slide into talking about fat cat lawyers, I can say with confidence that, since the Carter reforms, nobody has made a fortune in legal aid law practice. [Hon. Members: "Hear, hear!"] I can hear hon. Members from both sides supporting me on that point.

Rehman Chishti: Prior to becoming a Member, I was a criminal barrister for a number of years, and, to confirm what the hon. Lady says, I must say that as a barrister at Crown court one would earn £40 for a mention and could be there all day. The idea that barristers or lawyers are fat cats is completely wrong, and I fully support what she says.

Ms Abbott: But sadly, when Governments of all colours consider legal aid, they seem to zero in on the lawyers and the money that they make, rather than the millions of people whom they help.

I repeat what Opposition Members have said about the potential of the reforms to undermine totally the law centre movement. Nobody who has seen people queuing outside their law centre for help could support any action by any Government which undermined that movement. I must add, however, that the legal aid reforms will also undermine the practice of many high street solicitors, who are often close to and help their community. A disproportionate number of them are black and minority ethnic solicitors, and I do not believe that the Government have fully considered how the reforms will undermine the structure for providing the legal advice, help and support on which communities rely.

Earlier, a Member said that one reason why people have recourse to lawyers is the inefficiency of the Department for Work and Pensions, to which I should add the inefficiencies of local councils and the immigration service and the inefficiencies and, sometimes, unfairness of education authorities. But what are we to do? We acknowledge the systemic inefficiencies in many parts of the public sector, but are we going to leave tens of thousands of people to suffer injustice and unfairness in order to save money in the short term on the legal aid budget?

I also want to address the limits of phone advice. Talking down a phone might be all well and good for people in wealthier areas, but in the inner city many people do not have English as their first language, and if English is their first language they might be inarticulate, afraid and inhibited. In 20 years as a Member, I have had to advise hundreds of thousands of people. Often, they come in and mumble about some issue or other, and only after carefully questioning them, looking them in the eye and showing them my sympathy do they tell me their real problem. If we submit such people to talking down a phone, we will find that their issues are completely lost. They will put the phone down, never having explained what they really wanted to talk about.

Mr George Howarth (Knowsley) (Lab): My hon. Friend's constituency and mine are different in many ways, but one similarity has been commented on repeatedly over the years: they both have high levels of deprivation. Does she agree that, if we take away access to organisations such as Kirkby Unemployed Centre, Merseyside Welfare Rights and Knowsley citizens advice bureau, those levels of deprivation—in her constituency and in mine—will go up?

Ms Abbott: There is no question but that they will go up, because we are talking not about frivolity, serial litigants or people who litigate for fun, but about people who have to go to law to obtain the basic rights and fairness that we in the Chamber take for granted. On the idea of people in communities in the east end of London picking up a phone, Ministers are not being realistic. They must not understand what happens in some parts of the country if they think that going on the phone is a substitute for dealing with somebody who is skilled, looks a person in the eye, can see that they are nervous, knows how to put them at ease and can really draw from them the issue at the heart of their problems.

Opposition Members understand the need to consider the whole administration of justice budget, and there is a lot to be said for encouraging people with marital disputes to try mediation first, rather than going to law. Indeed, I have never heard of a divorce case in which tempers were sweetened by the involvement of lawyers. I do not reject out of hand the notion of encouraging people in marital disputes to go to mediation, but there are other ways of saving money in the Ministry of Justice budget, notably the organisation of the courts. Hundreds of thousands of pounds are wasted every year when cases collapse because people do not turn up and things have not been organised properly. Let us consider saving money through the organisation of the courts before considering these ill-thought-out cuts in legal aid. Government Members have referred to the NHS. It is better to identify liability earlier and save all the costs in contesting cases where people know perfectly well that in the end they will have to settle in some form or fashion.

It is not enough for Ministers to say, "Labour's spent all the money and that is why we're doing this." They have to understand that if we are serious about a big society and the role of Government, we have to ensure that the most deprived and marginalised communities have minimal protection, and part of that, in my mind, is access to justice and the rule of law. I sincerely hope, on behalf of my constituents and Hackney law centre, which is a tremendous organisation, that this is a genuine consultation and that Ministers will listen to some of the things that they hear in this Chamber this afternoon.

5.21 pm

Mr Robert Buckland (South Swindon) (Con): I echo the comments of the hon. Member for Hackney North and Stoke Newington (Ms Abbott) in her very proper analysis of the issue. This is not about lawyers; it is about access to justice. I am glad to see the Minister agreeing with those sentiments in the sense that the Government are not indulging in character assassination as regards practitioners in law.

There have been some excellent speeches. I pay tribute to the hon. Member for Makerfield (Yvonne Fovargue) for getting this debate the time that it deserves. I was happy to support her in her bid. I wish there were more

[Mr Robert Buckland]

time, as five minutes can hardly do the subject justice. It was a pleasure for me to take part in the Westminster Hall debate sponsored by the hon. Member for Westminster North (Ms Buck), who took part earlier. I do not propose to reiterate the points that I made in that debate.

I put on record my thanks to the Department for having answered some of the questions that I have been tabling about the breakdown of the costs of civil legal aid for the last year for which figures were available—2008-2009. The figure of £24.7 million in legal help for welfare benefit cases, as alluded to by my hon. Friend the Member for Broxtowe (Anna Soubry), is startling, and we should pay close attention to it. There is no doubt, as other Members have said, that there are serious deficiencies in the decision-making processes as regards benefit entitlements. I am utterly convinced that that large amount of money could have been saved if that system were more sound. I urge the Minister to work as closely as he can with the Department for Work and Pensions to ensure that it starts to take a share of the burden of the cost of representation.

John McDonnell (Hayes and Harlington) (Lab): Will the hon. Gentleman give way?

Mr Buckland: I am sorry, but I cannot take interventions on this occasion because I want to ensure that other speakers have their say. As I said, so much to talk about, so little time.

Let me pray in aid Wiltshire law centre in my constituency, which carries out debt, welfare and housing work. To put it bluntly, it is set to lose the vast majority of its income if these proposals are implemented. May I put in a plea to the Minister to work as hard as he can with all agencies of Government to ensure that places like Wiltshire law centre get some form of block funding to ensure that its valuable work continues? It is as fundamental as that. I am worried that if we lose that service, my constituents will have to travel a very long distance to get legal aid, because most private firms in Swindon now do not offer the services offered by the law centre.

I have spoken in the past about special educational needs and education law. I reiterate my plea to the Minister to ensure that when the education Green Paper is published in March the forms of alternative dispute resolution, whether it be mediation or other forms of ADR, are properly explored and set out so that the need for legal representation in those cases becomes a thing of the past.

I have drilled down as far as I can to find out why this country spends more per head on legal aid than other country. The National Audit Office paper on the procurement of legal aid observed that during its control period in the latter part of last decade, England and Wales prosecuted more than a million more people than any comparator country. We have to look at why we spend a lot on legal aid. I do not think that it is a problem. I think it shows that we take prosecution seriously. The only real comparison we can make is with other common law countries, and they do not prosecute as many cases as England and Wales. Comparisons with France are utterly irrelevant. The French spend five times more on the judicial system than us because of their inquisitorial process. We must focus on comparisons with other common law countries. The simple fact is that we litigate more in England and Wales. As I said, I make no apology for the fact that this country brings more prosecutions than any other country. That issue should be dealt with in other debates. It is a causal issue, rather than being about the symptoms that legal aid has to deal with.

On domestic violence, my plea to the Minister is that we work hard on getting the definition right. I suggest that it is not right in the Green Paper. We should be considering courses of conduct rather than individual incidents. I would be happy to work with him on that matter.

5.26 pm

Julie Hilling (Bolton West) (Lab): I join in the congratulations to my neighbour, my hon. Friend the Member for Makerfield (Yvonne Fovargue) on securing this debate on an issue that will adversely affect so many of our constituents.

Before Christmas, a woman came into my surgery in desperation. She was trying to extricate herself from a violent relationship. As is normal with such relationships, although she is now safe, her ex-partner continues to manipulate her and to exert his power by agreeing to things and then going back on his word. Even though she earns only about £20,000, she had been turned down for legal aid and was in a terrible situation. She was paying for a solicitor, but it had reached a point where she could not ask them to do anything else because she could not afford to pay them. As an ordinary person, she was terrified of running up debt, so she made sure that she paid all her bills immediately, even though that meant that she frequently did not have enough money to be able to eat. Of course, celebrating Christmas was out of the question. If the Government go ahead with their plan to reduce civil legal aid, my surgery will be full of people like that.

Bolton citizens advice bureau sent me a snapshot of an ordinary day at its drop-in service. On 11 January, its social welfare law drop-in service was open for six hours. Sixty-three new clients walked in off the street. That does not include the 31 people who went in for return appointments. If the proposals to reform legal aid had been implemented and if the Citizens Advice financial inclusion fund had been withdrawn, it would have been able to deal with only five or six of those people.

The stories of many of those people are heartbreaking and many of their cases involved an element of benefits, with claims being refused, delayed or wrongly calculated. Many of them did not have enough money to feed themselves or their children, such as the lone parent with three children who was receiving only £47.50 a week, or the lone father who had received no benefit for his 18-month-old and was told he would have to wait another four weeks for any money. A number of them were in imminent risk of losing their homes because of failed businesses. Some had employment issues and others had immigration issues. Whatever the issue, the common thread was that they went to Citizens Advice because they had nowhere else to go. They could not afford to buy legal support, unlike the people who were pursuing them. Their cases involved debt, wages that had not been paid and the refusal to pay benefits.

Surely, it is a mark of a civilised society that all people have access to legal justice. Surely, in 2011 we should not be returning to olden days when the poor simply had to accept what the rich and powerful did to them. Of course, the equality impact assessment states that females and black or minority ethnic people will be more adversely affected, and it cannot rule out a disproportionate effect on the disabled. The Government do not appear to be taking action to redress that.

My hon. Friend the Member for Makerfield talked about the financial cost of removing legal aid, but what about the other costs? What will happen to the lone father who is getting no benefit? Will his child go into care? What will happen to the person who loses their house? Will they go into emergency accommodation and have to be rehoused by the state? What about the long-term trauma of children caught up in the problems? Will they then fail in school and in their future life? The Government's proposal is wrong, morally, ethically and financially.

Citizens advice bureaux and community law centres are the Government's big society in action—a combination of volunteers and professionals working in partnership to provide a service for their communities. It is often the only service for those who are the most disadvantaged. Like every other voluntary group, however, the service costs. Even if projects are run entirely by volunteers, they still need funding for training and resources, premises and running costs.

I will not argue that legal aid needs no reform, but the proposed reform is supported by no one. Even the most commercial firm of solicitors says that it will have a detrimental effect on the most vulnerable in society. I say to the Government, please do not send us back to the days when justice was just for the rich and the privileged. I plead with them to rethink their proposals.

5.30 pm

Mr Brian Binley (Northampton South) (Con): I had hoped to speak for about 25 minutes, but I find that I have to cut my speech down to four minutes, so I shall be to the point and abrupt.

I wish to make a plea to the Minister about lawyers who fight against corporate, local government and Government bodies that are under serious pressure to make serious cuts and sometimes get things wrong to the detriment of the most vulnerable in our communities. I wish to set out a particular case to the Minister, because I believe that the Legal Services Commission is already taking action to cut expenditure sizeably, but should not be doing it in quite the way that it is.

I wish to talk about a company called Hossacks Solicitors, which is one of the 78 legal companies that fight on behalf of community services. It has done a tremendous job—I have been on the wrong end of it on occasions in the past. However, in 2010 the LSC, which had granted a contract to Hossacks to fight a legal matter, said that it had issued the contract in error. The company disputed that fact on the grounds that it had entered into a binding legal contract with the LSC. The LSC replied on 6 January this year, terminating the contract in its entirety. The company appealed and was told that the appeal would be heard within two weeks. It has now been told that it will not be heard until the end of March, by which time many of the budgets will be set and many of the cuts will be beginning to bite. That is too late for the vulnerable people Hossacks was going to represent.

Mr Deputy Speaker (Mr Nigel Evans): Order. Is the hon. Gentleman talking about a live case?

Mr Binley: No, I am not, because it has been stopped by the LSC.

I simply want the Minister to look into the matter to see how many more vulnerable people are being affected by decisions taken by the LSC that are premature given the debate that is currently going on.

Anas Sarwar (Glasgow Central) (Lab): Will the hon. Gentleman give way?

Mr Binley: I really do not have the time.

I ask the Minister to come back to me on this matter, because it raises a matter of considerable concern that affects many people throughout the country. If the LSC is acting prematurely, it should be stopped until the debate is over and the consultation is finished.

I have finished within the time you wished, Mr Deputy Speaker.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): I call Karl Turner, who can take two minutes. You have to sit down at 5.35 pm, please.

5.33 pm

Karl Turner (Kingston upon Hull East) (Lab): Thank you very much, Mr Deputy Speaker. I start by congratulating my hon. Friend the Member for Makerfield (Yvonne Fovargue) on securing the debate.

In the two minutes that I have, I shall concentrate on the citizens advice bureau in my area. I met the chief executive, Lesley Thornley, on Tuesday, and she highlighted the real problems that she thinks the CAB will suffer from. There seems to be a triple whammy. First, the financial inclusion fund will be gone. Some 50% of the advice that the CAB in my area provides is debt management advice, and she is concerned about what will happen to the people affected as a result of that cut. Secondly, there are the real-terms cuts to legal aid, and thirdly there are the cuts to the local authority, which she tells me will lead to 42% cuts to her CAB. She highlighted the fact that the Birmingham CAB is closing as a result of cuts, and she is very worried that the CAB in my area will also close.

I have spoken on numerous occasions to solicitors in my area, including very recently to Mr Waddington of Williamsons solicitors. He tells me that this issue is about access to justice. Publicly funded lawyers do not go into the job to earn big sums of money, just as teachers do not go into teaching to do so. Will the Minister ensure that he looks very seriously at the proposals? Vulnerable people will suffer as a consequence of the Government's programme.

Mr Deputy Speaker (Mr Nigel Evans): Order. I will ask that your short speech does not count against you in relation to the number of times that you have spoken.

5.35 pm

Mr Andy Slaughter (Hammersmith) (Lab): I congratulate my hon. Friend the Member for Makerfield (Yvonne Fovargue) on securing this debate, which has been an excellent example of Back-Bench debates focusing on an issue that is causing great concern in constituencies around the country. We have heard many good speeches from both sides of the House.

It is appropriate that Members on both sides of the House speak in defence of legal aid, because it was on the recommendation of a Committee headed by a Conservative peer Lord Rushcliffe that legal aid was first proposed in 1943, and it was a Labour Government and a Labour Attorney-General, Sir Hartley Shawcross, who piloted the Legal Aid and Advice Act 1949 through Parliament. The Secretary of State for Justice says that he wishes to return to the original intent of legal aid, but the original intent of legal aid is captured in paragraph 40 of Magna Carta:

"To no one will we sell, to no one deny or delay right or justice."

Those were the very words that Sir Hartley Shawcross had in mind when he said on Second Reading of the 1949 Act:

"It is a Bill which will open the doors of the courts freely to all persons who may wish to avail themselves of British justice without regard to the question of their wealth or ability to pay."—[*Official Report*, 15 December 1948; Vol. 459, c. 1221.]

The Government's Green Paper presents their plans as a return to the founding intent of legal aid, but they are in fact the exact opposite. They will remove the average person's ability to seek justice.

I wish to focus on the cuts that will cause most damage—those to social welfare legal aid—but that is not to say that there are no problems with other aspects of the Government's proposals. The narrow definition of domestic violence cases will leave women and children vulnerable and less able to seek help; the failure sufficiently to address the costs of very high-cost criminal cases is a mistake and a missed opportunity; and taking clinical negligence out of scope, alongside proposed changes to civil litigation funding, will end the ability of many people to challenge negligence and malpractice. However, it is the cuts to social welfare legal aid that we find most unacceptable. They will result in the complete collapse of the social welfare advisory sector, and do so, ironically, at huge cost to the state.

In the short time that I have, let me give five reasons why those cuts are wrong. First, the advisory sector will all but disappear. The Government propose to eliminate almost all legal aid for social welfare, including legal aid for debt, housing, education, welfare, employment and immigration cases. They will cut funding for many advisory services, such as citizens advice bureaux and law centres.

Jeremy Corbyn (Islington North) (Lab): Is my Friend aware that the High Court this week found in favour of the Mary Ward centre and other voluntary organisations that were threatened with a huge cut by London Councils on the ground that inadequate equality assessments were made in advance of the proposed cuts? That is a taster of what is to come if the Government try to put those cuts through.

Mr Slaughter: Absolutely. I pay tribute to the Mary Ward centre, which I visited recently with Lord Bach, and to many other law centres around the country that do such sterling work.

The cuts to law centres and citizens advice bureaux come alongside cuts to the financial inclusion fund and local authority funding. Hammersmith and Fulham community law centre, where I have been a member of the management board for 20 years, has lost all its local authority funding, and will, if the Government's equality impact assessment is to be believed, lose 90% of its Legal Services Commission funding. Most law centres around the country and many citizens advice bureaux and private firms will be forced to close. Remaining citizens advice bureaux will find their ability to provide services considerably diminished, particularly those in areas of greatest deprivation. The knowledge, talented advisers and high-quality service that are provided at far below the market are irreplaceable.

The second point is that the most vulnerable will be hurt at a time of great economic turmoil. Let us consider the people served by those organisations I have just discussed. The Ministry itself estimates that 85% of legal representation and 80% of legal help is for individuals within the bottom income quintile. People with mental health problems and other disabilities experience much higher rates of unemployment, debt, homelessness and discrimination and will therefore be disproportionately affected. The disabled are twice as likely to live in poverty as the non-disabled. According to Mind, many callers are profoundly distressed and unable to explain their problems clearly. They find it traumatic to discuss those problems with a stranger over the phone and need face-to-face contact.

Thirdly, the Government overstate the ability of people to navigate the legal system without advice or guidance. The Green Paper misrepresents the reality of tribunals, and ignores the fact that the law is ever changing and highly complex. Without specialist advice, many claimants would be unable to prepare a case for first-tier, let alone upper tribunals. Representation before court and in court streamlines the legal system and makes it more efficient. These cuts will deepen the existing inequalities of arms and lead to injustice—and also to great inefficiency in the civil legal system. Without representation, appellants are more likely to request an adjournment, get things wrong, achieve less fair outcomes and therefore go on to appeal—all of which cause delays and costs.

Fourthly, the alternatives suggested by the Government are inappropriate or inadequate. The Minister says that people should seek advice from tribunals, respondent organisations themselves or the pro bono sector. The first two options have been greeted with incredulity. As for the last, the Free Representation Unit—the largest pro bono organisation in the UK—said in response to the Green Paper that it

"gives a misleading impression. It wrongly uses the role of FRU to support its conclusions. The work that FRU does can…be no part of the justification for withdrawing Legal Help in this area. FRU is in no position to replace the invaluable work of publicly funded solicitors, law centres and Citizens' Advice Bureaux in giving initial advice."

That is right. The pro bono sector cannot exist in its current form without the infrastructure of the advisory sector.

The fifth and final reason why these cuts are wrong is that the Government's sums do not add up. People who cannot resolve their problems often accumulate more problems and end up in cycles of decline, including social exclusion, eviction, unemployment, stress and depression, relationship and family breakdown. Children whose families are experiencing social problems are more likely to become involved in truancy, exclusion and offending. Early resolution saves time and money in identifying meritorious cases to take to court and preparing clients appropriately, and settling out of court where possible. Once someone is already homeless it costs the state tens of thousands of pounds to get them out of that situation. Just at first-tier tribunal stage, Government figures show that had the proposed cuts been in place last year, more than 51,000 cases that were successful would not have been, due solely to a lack of advice and representation.

The Green Paper is filled with inaccuracy, imprecision and outright fallacy. The sums do not add up, and it will lead to the disastrous loss of many of the CABs and law centres that are—to quote the excellent article by the hon. Member for Maidstone and The Weald (Mrs Grant) in today's *Guardian*—the "last line of defence" against catastrophe for the tens of thousands of people they help every year.

Yesterday, someone who has spent much of their professional life providing legal assistance to those who cannot afford it asked me why no one has yet put this question in terms of the rule of law. A civilised society is one that encourages its decisions to be challenged and that understands that no decision can be beyond reproach. The legal aid system ensures that citizens can seek and gain justice, and that their lives are not placed into turmoil simply because they lack the means to challenge the decisions of large public and private corporations. That is the question that should haunt anyone who seeks to make such devastating cuts to a service that rightly makes us proud.

As for those outside this Chamber who have dedicated themselves to helping the most vulnerable navigate an often bewildering legal system, I join many of my colleagues in thanking them for all that they do for our country. They are the embodiment of the kind of civil society in which Labour has believed for so long. Many give their time for free. Others have accrued decades of valuable experience, with unique insight into the communities they serve, and I encourage them to make their voices heard. If their voices are not heard now, and if the stories of those whom they help are not heard, this Government intend to silence them for ever. They should be assured that we will stand alongside them, our voices will join with theirs, and together we will resist these acts of sheer vandalism.

5.44 pm

The Parliamentary Under-Secretary of State for Justice (Mr Jonathan Djanogly): I congratulate the hon. Member for Makerfield (Yvonne Fovargue) on securing this important debate, in which we have heard many excellent contributions.

It has been helpful to hear first-hand from those who have contributed today, but before responding to some of the specific issues raised, of which there were many, I would like to reiterate the rationale and context of the reform proposals. I should say at the outset that the Government strongly agree with the views expressed by many Members today that access to justice is a hallmark of a civilised society, and that the provision of legal aid, in a targeted, focused and sustainable way, is a key part of ensuring appropriate access to justice. So I say to the hon. Members for Dwyfor Meirionnydd (Mr Llwyd), for Hackney North and Stoke Newington (Ms Abbott) and for Bolton West (Julie Hilling) that our aim is to direct our scarce resources towards helping the most vulnerable.

As hon. Members will know, the Government have pledged to reduce the budget deficit to deal with the acute financial crisis and encourage economic recovery. The Department has to reduce its budget by £2 billion by 2014-15, and legal aid, being one of just three big areas of spending in the Ministry of Justice, needs to make a substantial contribution of £350 million to that reduction. However, the need to make savings gives us the impetus and urgency for change and provides us with the opportunity radically to reform a system that, in many cases, needed reform anyway. To that extent, I agree with the right hon. Member for Exeter (Mr Bradshaw) that our policy cannot simply be determined by how we deal with the deficit.

In June, we announced that we would be taking a fundamental look at the legal aid system. Our aim was then, and remains now, to create a stable and sustainable system that ensures access to public funding in those cases that really require it, the protection of the most vulnerable in our society and the efficient performance of our justice system. This also reflects the aim of creating a more efficient legal aid system as set out in the coalition Government document. Since the modern legal aid scheme was established in 1949, its scope has been widened far beyond what was originally intended. By 1999, legal aid funding was available for virtually every type of issue, including some that should not require any legal expertise to resolve.

Mrs Grant: Will the Minister give way?

Mr Djanogly: I would love to give way, but with so many points having been made, I cannot. I apologise.

I believe that that has too often encouraged people to bring their problems before the courts even where the courts are not best placed to provide the best solutions, and discouraged them from seeking simpler, more appropriate remedies. I would like to take this opportunity to congratulate my hon. Friend the Member for Maidstone and The Weald (Mrs Grant) on her excellent article this afternoon.

Indeed, the scheme now costs more than £2 billion a year, making it one of the most generous schemes in the world, even taking jurisdictional differences into account. We need to understand that, even after the proposed reforms, we are still going to have one of the most expensive schemes in the world. The previous Government made many attempts to reform legal aid, conducting more than 30 consultations since 2006, but the changes were of a piecemeal nature and failed to address the underlying problems. Rather than continue with this "cut and come again" approach, we have gone back to basic principles to make choices about which issues are of sufficient priority to justify the use of public funds, subject to people's means and the merits of the case.

[Mr Djanogly]

The Opposition's general position on legal aid is staggeringly inconsistent and opportunistic. Labour appears to be backing down on its commitment to support legal aid reform. In an article on Left Foot Forward, the shadow justice Minister, the hon. Member for Hammersmith (Mr Slaughter), wrote:

"It is nonsensical...to cut these long established public services."

The article seems to reveal a split between the shadow Justice team and its party leader, who said at a recent press conference that with regard to the reductions in legal aid

"Labour has shown it is ready to make difficult cuts which we believe are necessary for the long term health of our economy."

Its leader was, of course, reiterating the promise made in the 2010 Labour manifesto:

"We will find greater savings in legal aid".

It also contradicts the statement of the right hon. Member for Tooting (Sadiq Khan) offering support to the Government when the reforms were announced last year. He said:

"Let me be clear: had we been in government today, we, too, would have been announcing savings to the legal aid budget. That is a reality that we all have to acknowledge."—[*Official Report*, 15 November 2010; Vol. 518, c. 663.]

Mr Slaughter Will the Minister give way?

Mr Djanogly: I think I do have to give way on this one.

Mr Slaughter: I think the Minister does, now that he has read out the central office briefing. I urge him either to read the shadow Lord Chancellor's article in the *Solicitors Journal* today, or even my speech in Westminster Hall before Christmas, which he would have heard had he turned up for it. If he does, he will see exactly where we would make the cuts and that we have made it clear throughout that we would not cut essential social welfare legal aid.

Mr Djanogly: I am pleased to hear some clarification of what the Opposition are not going to do; perhaps the hon. Gentleman will come back to the House to tell us what they are going to do, so that we can take a view on where they are coming from on this issue, because they have been thoroughly unimpressive to date.

Jeremy Corbyn: Will the Minister give way?

Mr Djanogly: No, I will not.

The proposals in our consultation paper take into account the importance of the issue at stake, the litigant's ability to present their own case, the availability of alternative sources of funding and alternative routes to resolving the issue, as well as our domestic and international legal obligations. I should also point out that the consultation is still open, and that I am therefore here to listen to hon. Members' views rather than to agree or disagree with any particular view.

We propose to focus financial support, and legal advice and representation, on those who need it most. The proposed reforms involve significant change to the scope of legal aid funding. Having said that, I should make it clear that we are not proposing any changes to the scope of criminal legal aid, and that legal aid will also still routinely be available in civil and family cases in which people's life or liberty is at stake, or in which a person is at risk of serious physical harm or immediate loss of their home. For example, I can confirm to the hon. Member for Westminster North (Ms Buck) that we plan to retain legal aid for asylum cases, but not for immigration cases, except when the person is in detention.

Legal aid will also be retained for debt and housing matters when someone's home is at immediate risk, and for mental health cases. It will still be provided when people face intervention from the state in their family affairs that could result in their children being taken into care, and for cases involving domestic violence, child abduction or forced marriage. We also propose that legal aid should remain available for cases in which people seek to hold the state to account by judicial review for the most serious claims against public authorities. We shall also keep it for cases involving discrimination that are currently in scope, and for community care cases where the recipients are often very elderly and vulnerable.

Many hon. Members raised the question of telephone advice. Although that will provide a gateway, it will not stop face-to-face advice being given when that is appropriate. It will facilitate the more effective sourcing of services and help the disabled. People will be able to ask to be called back, as is currently the case, so the cost would be low. I should like to tell my hon. Friend the Member for Aberconwy (Guto Bebb) that we believe the telephone advice will assist people in rural areas, and that language translation will be catered for, particularly for Welsh speakers. The service currently has a satisfaction rating of more than 90%, so we see it as a very good service.

We recognise that there will be some cases, even within the areas of law that we propose to remove from scope, that international or domestic law will require to be funded by the taxpayer, or inquest cases where there is a significant wider public interest in funding legal representation. We therefore propose a new exceptional funding scheme for excluded cases. We also consider that the long-drawn-out, acrimonious nature of court proceedings too often exacerbates disputes rather than solve them. Alternatives often exist that are not only cheaper than rushing to court but faster and less contentious. So we will continue to provide funding for family mediation, to encourage people to use this more effective method to resolve issues between themselves, rather than using up precious taxpayers' money and the courts' time.

Of course, mediation is only one alternative to court proceedings. Work is going on across government to change our litigation culture and encourage alternative and less acrimonious dispute resolution. For example, the Government are currently seeking views on measures to achieve more early resolution of workplace disputes through ACAS conciliation, so that all parties have a chance to resolve their own problems in a way that is fair and equitable for both sides, without having to go to an employment tribunal.

Likewise, the Department for Education is looking into involving parents in early discussions and decisions about the special educational needs support that they need, so that they do not have to battle through the tribunal process. I think it was the hon. Member for Westminster North who said that 82% of appellants in

SEN matters succeeded in their appeals. I should point out to her, however, that just 18% of parents are currently legally represented in those appeals.

On eligibility, we are not changing the criminal means-testing introduced by the previous Government. In civil cases, however, we believe that those able to pay for or contribute to the costs of their case should do so. This will help to ensure continued access to public funding, in those cases that really require it, for those who have little or no funds of their own. The consultation paper therefore includes the proposal that all clients with £1,000 or more of disposable capital should make a minimum £100 contribution to their legal costs, and that the capital of any prospective legal aid clients is taken into account when considering eligibility. We believe that this will encourage a greater sense of personal responsibility by giving clients a greater financial interest in the conduct of their case, as well as helping to discourage unnecessary litigation at taxpayers' expense.

Many Members, including the hon. Members for Makerfield, for Westminster North, for Kingston upon Hull East (Karl Turner) and for North Tyneside (Mrs Glindon), the right hon. Member for Exeter and my hon. Friends the Members for Hastings and Rye (Amber Rudd) and for South Swindon (Mr Buckland), made points about the highly valued not-for-profit sector. Having frequently met the CAB, Shelter and other voluntary groups, I appreciate that the not-for-profit sector has particular concerns, but the important point is that this issue goes way beyond legal aid. Indeed, funding from legal aid represents a minority of many CABs' income—we believe only about 15% of CABs' income comes from legal aid—and many do not receive any legal aid income at all; the three CABs in my constituency receive no legal aid money, for example. That is because the basic role of CABs is to give general advice, not necessarily legal aid advice, as they have been allowed to do only for the past 11 years. The problem, however, for those that do give legal advice is that legal aid funding will often merge with other funding streams. CABs are funded mainly by local councils and the Department for Business, Innovation and Skills centrally, and removing one stream could have a knock-on effect, but that does not make it wrong for us to be unwilling to pay legal aid for general advice.

The reality is that the funding streams have been in conflict for years, and effort and services have been duplicated and resources wasted, although the previous Government never sorted this out while their money machine was pumping away. We have recognised this problem, and I am pleased to be able to say that we are working closely with the Cabinet Office-based Office for Civil Society, which will look at this important issue across Government. To answer a question from my hon. Friend the Member for Carshalton and Wallington (Tom Brake), I should say that transitional funding may be available.

We certainly see an important role for not-for-profit organisations in the advice sector. The coalition Government support such organisations, including CABs, and as my hon. Friend the Member for Broxtowe (Anna Soubry) said, we hope that local government will share our view that they play an integral part in civil society. I am also happy to look at the issue raised by my hon. Friend the Member for Northampton South (Mr Binley).

The hon. Members for Makerfield and for Westminster North, my hon. Friend the Member for Hastings and Rye and others spoke about welfare benefits. We recognise that some people find publicly funded legal advice and advice on welfare benefit matters helpful. However, the user-friendly nature of the tribunal means that appellants can generally present their case without assistance. More particularly, the issues raised are normally ones that should be dealt with by general advice, not legal aid. When I visited a law centre recently, I was shocked to hear that local benefits officers were sending people to the law centre for advice on what benefits they could claim. This is a bizarre situation, and it is not going to be solved by throwing legal aid money at the problem.

Several hon. Members *rose—*

Mr Djanogly: I am afraid to have to tell hon. Members that I have run out of time.

This debate will continue, as will the consultation. I can honestly say that we are looking forward to receiving the consultation responses of Members and all other respondees.

5.58 pm

Yvonne Fovargue: I thank all the Members who contributed to the debate. Some good and passionate points were made on both sides of the argument. Legal aid has been called the fourth pillar of the welfare state, and I urge the Minister to listen and take on board some of the points that have been made, and not to cut into the legal aid budget so deeply that the whole building collapses, leaving Members to pick up the pieces in their surgeries.

Question put and agreed to.

Resolved,

That this House has considered the matter of the reform of legal aid.

Bob Russell (Colchester) (LD): On a point of order, Mr Deputy Speaker. The Independent Parliamentary Standards Authority, whose leadership heads the most incompetent quango in the country, has today published a "name and shame" of Members of Parliament who, in its mind, have made claims to which they were not entitled. Among those names is mine, but I have to tell the House that the payment was made to me in full on 13 December. IPSA knew that. Admittedly, it took two months to pay, but it acknowledged that the claim was legitimate and it was paid. However, my name appears in a list of those who had a claim refused. What action can be taken by Members who have been maligned—one could argue libelled and slandered—by this incompetent organisation?

Mr Deputy Speaker (Mr Nigel Evans): I believe that the hon. Gentleman is a member of the Speaker's Panel on IPSA, and I am almost tempted to ask him to refer this matter to himself, but I will not do that. He knows that the matter that he has raised is not a procedural point for the Chair, but he has put his views on the record and he knows that there are other ways of taking the matter further.

STV

Motion made, and Question proposed, That this House do now adjourn.—*(Mr Dunne.)*

6 pm

Anas Sarwar (Glasgow Central) (Lab): I am grateful for the chance to speak about an issue that is of great importance to the city of Glasgow and to Scotland. The challenge of jobs and growth will be a defining political issue in the coming year. People want to know where new jobs and future prosperity will come from. Those in the private sector, who must create the jobs and wealth that Britain needs, will want to know whether everything that could be done is being done to support their efforts. They will want to know whether our Government are making the right choices on jobs and growth, and the right choices for the future of Britain.

One such company already asking those questions is STV Productions in my constituency. STV Productions is one of the few businesses of scale in the Scottish television production sector. It is a hugely important part of the Scottish creative industries cluster and a key employer in Glasgow's thriving media hub on the banks of the River Clyde. The growth of STV Productions can help to secure and develop a thriving, sustainable television production sector in Glasgow and throughout Scotland, delivering significant economic, social and cultural benefits. The growth of STV Productions will also secure and create much-needed private sector jobs.

The Chartered Institute of Personnel and Development says that the impact of Government spending plans will mean a 200,000 drop in employment this year. Under those headlines are larger numbers of job losses. PricewaterhouseCoopers calculates that public sector cuts will lead directly to around 500,000 private sector job losses over the spending review period. The CIPD has previously said that 1.6 million jobs could be lost, with the increase in VAT estimated to cost 250,000 jobs. Jobs will be created in the recovery, but the challenge to replace all the jobs lost through public spending cuts, as well as those lost as a result of the unemployment remaining after the global banking crisis and the impact of VAT, will be huge. The jobs that Britain needs can be created only by successful and growing private companies. They need the confidence and certainty that will justify their investing. Public policy must be focused relentlessly on creating the conditions for growth. Today the Government are making a series of wrong choices that will hamper the ability of private companies to grow.

Last November, the Secretary of State for Culture, Olympics, Media and Sport made a choice that denied STV Productions the independent status that it sought. Officially classifying STV as an independent television production company would have allowed it to compete for programme commissions under production quotas reserved for independents by broadcasters such as the BBC and Channel 4. In short, independent status would have offered STV Productions the chance to create employment opportunities in Glasgow. Ofcom broadly welcomed STV's aspirations, saying that independent status would encourage greater access to network commissioning by external producers. Meanwhile, Ofcom's advisory committee for Scotland endorsed the broad policy position of ensuring that television production be enhanced in the nations. The Secretary of State decided to overlook that advice and to deny STV independent status.

STV Productions currently supports 305 full-time equivalent jobs. The company's combined direct, supplier and income impacts stand at £15.3 million of gross value added in the Scottish economy. If STV Productions maintains its current market share in 2016, its economic impact will increase to 317 jobs and £15.9 million in GVA.

Ian Murray (Edinburgh South) (Lab): I congratulate my hon. Friend on securing this important debate on Scottish television. It is a shame that we could not have a motion of no confidence in the Government right now, given that there is nobody on the Government Benches, but I know that that is not the way procedure works. My hon. Friend is eloquently outlining STV's contribution to the economy. Independent producer status would allow that contribution to grow even further, leading not just to STV's growth, but to the growth of the entire production sector in Scotland, helping it to branch out from its hub in Glasgow to many other parts, including my constituency.

Anas Sarwar: I thank my hon. Friend for staying for the debate. I agree wholeheartedly with his comments. Independent status would not only benefit STV, create jobs in the company and create growth in the city of Glasgow, but help other independent production companies in Glasgow and throughout Scotland to branch out in many of the sectors involved.

Had STV Productions gained independent status, its competitiveness would have increased in the BBC market and other domestic and international markets. By 2016, such an increase in competitiveness could have increased its economic impact by 30% to 396 jobs and £19.8 million in gross value added. However, as a result of the Secretary of State's decision, the economic impact of STV Productions in 2016 is expected to be £3.9 million less than it could have been.

The provision of 79 full-time equivalent jobs would have been great in itself, but as was pointed out by my hon. Friend the Member for Edinburgh South (Ian Murray), independent status for STV Productions would also have had an effect on the economic impact of the wider production sector in Scotland. The growth of a company of scale would have led to an increase in the competitiveness of the sector as a whole., and that increased competitiveness could have allowed independents with Scottish headquarters to compete against international production companies with a presence in Scotland. By 2016, the resulting growth could have increased the economic impact of the sector as a whole to £98 million and supported 1,847 jobs. That is private sector growth on a scale that the Government cannot afford to ignore.

The Secretary of State could have secured a bright future for the independent production sector in my constituency and beyond. Instead, his decision will allow independents with headquarters outside Scotland to gain at the expense of the growth of STV Productions and those with headquarters in Scotland. The overall effect will be a reduction in the future economic impact of the television production sector in Scotland. The decision fails to recognise that STV is perhaps the only Scottish company with sufficient capacity to take on

such large-scale productions. It fails to show a full understanding of the measures needed to secure a viable and sustainable broadcasting industry in Scotland. Above all, it fails to encourage private sector job creation in my constituency and throughout Scotland.

The creation of a strong and competitive private sector must be central to the society that we are trying to build. We must support people who are in business and leading businesses. We need growth and job creation over the next year, but we also need to lay the foundations for a stronger, better balanced economy in the future.

I recognise the concerns of smaller independent production companies in Glasgow and in Scotland as a whole, and I accept that STV Productions will have to address many of those concerns if it wants independent status, but I genuinely believe that all independent production companies—including STV, if it could acquire its licence—would benefit from the resulting growth in the sector.

I want to see companies such as STV Productions grow, create more profits and create more jobs. With that in mind, I invite the Secretary of State, along with his colleagues, to visit STV Productions in the beautiful city of Glasgow, on the banks of the River Clyde, and to review his decision. That would benefit my constituency, the city of Glasgow and Scotland as a whole.

6.8 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): Let me begin by apologising for the absence of the handsome and talented Under-Secretary of State for Culture, Olympics, Media and Sport, my hon. Friend the Member for Wantage (Mr Vaizey), who is responsible for culture, communications and creative industries, whose portfolio is relevant to the debate, and whom Members may have expected to see this evening. Many Members will be delighted to learn that the reason for his absence is the fact that he is in Scotland as we speak. He has been in Edinburgh to discuss broadband, and then in Dundee to discuss the video games industry. However, I welcome the opportunity to debate this issue with the hon. Member for Glasgow Central (Anas Sarwar) in his stead.

Anas Sarwar: Will the Minister give way?

John Penrose: I will, although I have hardly got started.

Anas Sarwar: Given that the other Minister is currently in Scotland, he might like to extend his visit to Glasgow. I am sure that I could hastily organise a visit to STV Productions tomorrow, or even late this evening, if he so wishes.

John Penrose: I am sure that that is a kind and heartfelt invitation, but I suspect that it may have come rather late in the day, given the state of the Minister's diary. None the less, I will make sure that he is aware that the offer was made. In addition, an earlier intervention claimed that nobody was on the Government Benches, but given that I was sitting there large as life feeling like chopped liver as I was stared through by the hon. Member for Edinburgh South (Ian Murray), may I put on the record the fact that there were people here listening very intently to the comments that the hon. Member for Glasgow Central (Anas Sarwar) was making?

One of the key strengths of UK broadcasting comes from having a TV production base spread out across the nations and regions of the UK. That ensures that a more diverse collection of views and voices are reflected back at all aspects of the audience through their TV screens. As well as the considerable cultural and social benefits to the population, the arrangement enhances national, regional and local economies. The Government recognise that much of the country's best television comes from the nations and regions, and we welcome the contribution that STV, in particular, makes towards public service broadcasting in the UK. STV's local news, in particular, is extremely strong and we welcome STV's recent announcement of a pilot to deliver more local TV news for the west and east of Scotland. That builds on the launch of its STV Local sites and shows a real commitment to serving audience demand for more localised and relevant content.

On a related note, hon. Members will be aware that the Government published their local media action plan in January. I wish to reiterate that the Government are keen to hear the views of industry and the public on our proposals, and to receive expressions of interest from organisations interested in running a new network channel to support local television services. Local media is a vital part of local democracy and I encourage everyone with an interest to respond to the public consultation.

I now return to the meat of today's debate. STV is important but of course so too are the independent producers in Scotland. As the hon. Member for Glasgow Central mentioned, the Secretary of State considered thoroughly last year the matter of the potential reclassification of production companies owned by Channel 3 licence holders. That consideration took into account the responses from 29 organisations, including the Producers Alliance for Cinema and Television, Ofcom, the Scottish Government, STV, Channel 4 and several Scottish independent television producers. The responses covered a variety of viewpoints, but the voice of the existing Scottish independent sector was loud and clear in opposing the reclassification of STV's production companies as independent producers.

The consultation closed on 2 February 2010 and the Department for Culture, Media and Sport announced the Secretary of State's decision on 10 November 2010. I believe that the hon. Gentleman understands that the delay occurred because once the Secretary of State took office in May 2010 he wanted to look afresh at the proposal in the "Digital Britain" White Paper and the responses to the public consultation. It is important to make it clear that this decision was not taken in isolation and was not taken lightly. As we have seen in today's debate, there are genuine and valid opinions on both sides of the argument. The Secretary of State concluded that, on balance, the potential benefits of implementing the proposal did not outweigh the likely negative effects, particularly on the existing Scottish independent production sector.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I realise that this is not the Minister's direct brief, but does he appreciate that the point made by PACT in response to the consultation misses the fact that if STV does not have this status, there is not the scale for the large-scale independent production to take place in Scotland? STV getting this status would actually help the other independents, rather than hinder them.

John Penrose: I plan to deal with some of the remarks made by PACT later in my speech. I am sure that the hon. Gentleman is right about part of its remarks, but we have to take into account not only its remarks in their totality, but all the other remarks and consultation submissions made in response to the Government's request.

The Secretary of State believed it inappropriate to consider this matter in isolation, given the wider and more comprehensive review of public sector broadcasting and regulation that the Government are undertaking over the term of this Parliament. On that basis, he concluded that the proposal should not be taken forward. The Government appreciate that this decision will not be welcomed by everybody. Implementation of the proposal was not, however, in the interests of the Scottish economy as a whole, nor was it likely to promote competition or diversity of production in the long run.

The responses to the public consultation are published on my Department's website, but I wish to highlight some of the specific points raised by the existing independent production sector. They perhaps deal with some of the interventions that have been made, and they highlight the concerns raised and give some background to the decision.

Many respondents were concerned about the displacement of commissions from the existing Scottish independent production companies to STV. PACT said:

"There is significant risk that the proposed change in the definition would potentially severely damage the Scottish production sector by displacing commissions from other Scottish producers".

Its contribution expanded on this by saying that

"our main concern, though, is that STV will displace commissions not from London companies but from other, typically smaller Scottish independents, with the resulting damage to the Scottish production sector. The last five years have seen the growth of larger, typically London-based independent companies. However, with a few exceptions, Scotland remains characterised by small companies specialising in one or two genres. A 2008 report, for example, indicated that average turnover for an independent company in Scotland was just £1.33m per year."

Ian Murray: On PACT's point about the sector in Scotland being characterised by small production companies, the issue for Channel 4 in trying to commission more programmes from Scotland to try to get its percentages up—everyone in Scotland is keen that that should happen—is that there is not sufficient critical mass up there to produce something that Channel 4 could do on a returning basis to achieve that. The only organisations that could do that are the BBC, which cannot do it for licensing reasons, and STV Productions, which cannot do it because it does not have independent producer status, so there is a bit of circular argument on this issue.

John Penrose: I appreciate the hon. Gentleman's logic, but the burden of what PACT has said is that the danger of giving STV independent production status is that it would cannibalise existing Scottish independents and we would end up with a much smaller number of larger producers, with STV massively in the lead. That is a possible outcome, but clearly the Secretary of State, in balancing what he was asked to consider, did not view it as strongly as some of the alternative outcomes.

Anas Sarwar: In our discussions with Channel 4, we found that it has set a target of increasing its spending on the independent sector in Scotland from 3% to 9%, but it has emphasised that it feels that only STV is currently able to provide the required quality of programming and expertise. Does the Minister recognise that it is a bit of a myth that STV would be the largest independent production company in Scotland if it were to get independent status, given that there are independent companies in Scotland that were previously owned by Warner Bros. and are now owned by Endemol—an independent-sector producer that is even larger than Channel 4?

John Penrose: The hon. Gentleman advances the argument that only STV has the scale to achieve the kind of programming status and quality that everybody wants, but surely, the existence of other very large independents must undermine the logic of that position in the first place.

Let me make some more progress on other comments in the consultation. La Belle Allée Productions considered that there would be

"a real and significant danger of STV displacing commissions from other Scottish companies".

IWC Media believed that there is a "significant risk" that the proposal

"would damage the Scottish production sector, by removing work from the companies that need it most".

Matchlight said that the proposal would

"substantially harm other, smaller Scottish producers by displacing jobs and network productions from them in favour of STV and the overall effect will be a zero sum game for Scotland—no new jobs created, no new work attracted".

Tattiemoon also disputed that the reclassification would create any jobs. Its response said:

"To believe the claims that this change in status would result in the creation of more jobs for our industry would be a terrific mistake and one that we cannot afford to make. STV are aiming to adjust their position in order that they can have more control of our industry and compete in an incredibly unfair manner with other programme makers".

Doubt was also expressed about the overall cultural benefit to Scotland. Tattiemoon said:

"Here we have STV as a broadcaster breaking all the rules to become an independent for fiscal gains and not for the overall cultural well being of the nation".

Turmeric Media focused on funding, training and development opportunities and asserted that STV would

"exploit many of the excellent funding, training and business development opportunities that exist in Scotland that help small indies survive, again to the detriment of the small indie".

Many independent producers made general comments about the potential negative impact on the industry generally. Bees Nees believes that

"The granting of independent status to STV...would be to the detriment of the independent production sector in Scotland."

Matchlight believes that the proposal

"seems more likely to frustrate the Government's stated objective of protecting Scotland's sustainable production base than to promote it."

I will add one more quote, if I may, Mr. Deputy Speaker. Mike Bolland, a former chair of PACT, told us the proposal

"would upset the delicate ecology of television production in Scotland".

Anas Sarwar: The Minister is rightly quoting those who participated in the consultation process, but is he willing to quote also what Ofcom said in its response—it agreed with the proposal for independent status for STV—or what the Scottish Government said about STV Productions having a role to play in the Scottish economy?

John Penrose: I do not deny that there were consultation submissions in favour—that is absolutely correct. What I am trying to illustrate is the strong tide of opinion against the proposal. Clearly, the Secretary of State had to take all sides of the argument into account. It is because the hon. Gentleman and his two colleagues strongly put the case in favour of the proposal that I am trying to ensure that we have a balance in the debate. It is important to remember that there are two valid sides to the argument—the decision was a difficult one that required a degree of care on the part of the Secretary of State—and I hope that I have managed to illustrate that, given that the hon. Gentleman made the other side of the case so strongly in his speech.

PACT in particular raised some further interesting points. It considers that STV is already well placed to take advantage of the predicted growth in the Scottish production sector—the hon. Gentleman mentioned that—even without qualifying as an independent. Furthermore, PACT noted that STV Productions and STV's wholly owned subsidiary Ginger Productions are already winning commissions from the full range of network commissioning broadcasters, including all public service broadcasters.

It was also pointed out by respondents that the benefits accruing to STV, which STV itself provided to the Department for the purposes of the consultation, were minimal. As was noted in the published impact assessment, STV estimated that if its production arms were reclassified as independent under the proposal, it would experience an increase in production revenues of £400,000, to £1 million per annum. That represents an increase of just 15 hours of production and, STV estimated, would create five full-time jobs.

Those were not the only viewpoints. Other contributors to the consultation were in favour of the proposal, as the hon. Gentleman mentioned and as I acknowledged in our last exchange. STV was, of course, strongly supportive of the proposal. The Government carefully considered the arguments put forward by STV for the benefits that would accrue both to STV and to the industry. STV believes that there would be a benefit to the Scottish economy arising from a greater dispersion of production throughout the UK. In particular, we noted STV's view that it was currently prevented from competing on a level playing field due to its minority role within the ITV network. STV told us it has no influence over commissioning decisions, is disadvantaged by its regulatory status and cannot compete for the independent quota.

Ofcom, as the hon. Gentleman said, provided a valuable contribution and set out its reasons for broadly supporting the proposal. It did so on the basis that reclassification would encourage greater access to network commissioning by external producers, with potential associated benefits for the development of the production sector in the nations. We also noted Ofcom's reference to the conclusion of its advisory committee for Scotland, which suggested that the benefit to existing Scottish independents, in the form of a larger number of commissioned co-productions between STV and other producers, is unproven.

I hope that I have provided a useful and, in the light of my last couple of points, at least reasonably balanced summary of some of the contributions to the consultation. I encourage hon. Members to read the full responses on my Department's website, although I think it is clear that the hon. Gentleman and his colleagues have conducted a fairly extensive trawl of the submissions and are already possessed of a high degree of familiarity with them. For the record, however, and for anyone else who is interested, I just wanted to point out that the responses are there for anybody who wishes to see them.

Some hon. Members may be aware of the recent evidence provided by STV in the Biggar report, which indicates a rather larger financial benefit than was originally projected in the impact assessment. We have seen that report, but it was received six weeks after the decision had been announced and 10 months after the consultation closed. The point remains that the voice of the existing independent sector is loud and clear: it does not want this to happen. As I have mentioned, in making his decision the Secretary of State also concluded that it is inappropriate to consider the matter in isolation. He announced in January that we are embarking on a major review of the communications sector. It will be a wide and comprehensive review leading to a new communications Act before the end of this Parliament.

I should make it clear that we do not intend to review again the specific issue of the potential re-classification of production companies owned by Channel 3 licence holders, but the review will include an assessment of public service broadcasting and regulation, and the broader issues of independent production are almost certain to be part of that.

Question put and agreed to.

6.25 pm

House adjourned.

House of Commons

Friday 4 February 2011

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Anna Soubry (Broxtowe) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163), and negatived.

Anonymity (Arrested Persons) Bill

Second Reading

9.34 am

Anna Soubry (Broxtowe) (Con): I beg to move, That the Bill be now read a Second time.

I am grateful, Mr Speaker, for the opportunity, which arose as a result of my being drawn in the ballot for private Members' Bills, to introduce the Bill in the House. It is important that I begin by explaining where the Bill comes from and what I seek to achieve, because I hope to cure a real mischief. Hon. Members will recall what happened last summer, and I am not keen to rekindle that debate. The coalition Government proposed that anonymity be given to people when they were arrested and subsequently charged with the offence of rape. There was much debate; many of us did not think that it was a good idea and, in various ways, we made it clear that such a change in law was not required.

We made representations both in private and in public, and it is very much to the credit of the Government and of the Under-Secretary of State for Justice, my hon. Friend the Member for Reigate (Mr Blunt), that there was a change of heart. I say that, because I know that he had a long-held belief born quite properly out of a constituent's case with which he had dealt many years ago, and which had stayed with him. I hope all hon. Members would wish to act when they come across something that they think is wrong, and we have the great benefit of having a place in the Chamber and a process that we can use to succeed in righting a wrong. I should like to play a part in righting what I believe is a serious wrong.

The Bill comes from that debate. Many of us, even though we did not necessarily support the coalition's proposals, felt that we could all come together and agree that there was a serious problem that had evolved over the years and that needed to be solved. In the past, the press did not publish the name and address of someone when they were arrested, but waited until they were charged to do so. Over the past few years, that has all changed. The press not only publish the name and address of someone when they have been arrested but they give more details. As we have recently seen with events in Bristol, it has reached the stage where many of us believe it has got to stop. A great wrong is being done, and it is time that it was righted. That is what I seek to do—to stop this sort of reporting.

Sir Peter Bottomley (Worthing West) (Con): The problem with publicity arrangements when someone has been arrested is that the media can refer to all kinds of detail that they are not allowed to refer to once a charge is brought. Is my hon. Friend trying to fill that gap?

Anna Soubry: My hon. Friend is quite right—that is exactly what I am trying to do. I do not want to turn this into a debate about press freedom, because it is not as simple as that.

I should like to explain where I am coming from—a dreadful modern expression, but it is an accurate description. About 30 years ago, I first became involved in student politics—you may remember those times, Mr Speaker. I was a student reading law—you were

[Anna Soubry]

probably at kindergarten—and I became involved in student politics. I then trained to become a barrister. Student politics, rather bizarrely, took me to Scotland, because I won an election. I blame not just the good students of Stirling university for that but my hon. Friend the Member for Finchley and Golders Green (Mike Freer)—we, too, go back many years. I ended up as the honorary president of Stirling university, and I was in need of a job.

It had always been my intention and ambition to work in the broadcast media, for reasons that I do not need to divulge to the House. The only good advice that I ever got about how to achieve my ambition was to start on a local newspaper and learn my trade as a journalist. I did that. I worked for a year on a newspaper called the *Alloa and Hillfoots Advertiser and Journal*. It was a great publication. It employed at least two reporters, and I was one of them. I covered everything, from the fortunes of Alloa Athletic right through to the editing of the pigeon club—one of my greatest moments in journalism. In all seriousness, I honed a trade there. I learned a great deal. At that time we never published the name and address of anybody who was arrested, because a convention existed.

In due course I was lucky enough to go into television. I worked in television for many, many years, not just as a presenter, but as a reporter. I have always been very proud of my membership of the National Union of Journalists. I was shop steward. That does not make me a good journalist, but I hope it explains where I am coming from, and I do not want my remarks to be seen as an attack on all the people with whom I had the great honour to work and whose skills I still admire.

If we look at what is happening in Egypt, we know that it is because of the courage of the media there that not just all of us know what is going on there, but most importantly, the people of that country, notwithstanding the oppression in place, know what is happening. We sometimes forget the invaluable work that the media do, and how brave and courageous many reporters are, especially in such situations. I am keen to emphasise that this is not an attack on the media, but it is a serious criticism of the antics that have prevailed for too long among certain sections of the media. That is what the Bill seeks to address.

I mentioned events in Bristol. Let me make it clear that I do not intend to name anybody, and I am sure that hon. Members will also be keen not to name anybody, save for this: I do not think there is anybody who is not aware of the publicity and media coverage that was given to the first man who was arrested following the murder of Joanna Yeates. It is right and fair to say that everybody with any sense of decency and sensibility has accepted that the coverage of that individual was, if not outrageous, as I believe it was, certainly unacceptable and plain wrong. It is as if we had forgotten that one is innocent in this land until proven guilty. Unfortunately, it is not the first time that that has happened, but it is the most extreme case that we have seen.

Everyone tends to forget that on being arrested, a person suffers the trauma of the arrest. It is difficult to imagine a worse accusation than to be accused of taking somebody's life, raping someone or doing something horrible to a child. There is the trauma of the process and the nature of the allegation, and on top of that, the person's name and address appear in the local paper. If it is a high-profile case, they appear in the national papers.

Mike Freer (Finchley and Golders Green) (Con): It is not just the naming of someone as a person of interest. If we recall the landlord in Bristol, it was the castigation, the crawling over of that gentleman's background, the questioning of his looks, his eccentricity and his sexuality that were abhorrent and that will follow him around for ever. Does my hon. Friend agree that the problem is not just the naming, but the castigation that follows such people around afterwards?

Anna Soubry: I am grateful to my hon. Friend, who makes exactly the point that is most pertinent. It is the vilification. I have used the expression and I do not hesitate to use it again. What we saw in Bristol was, in effect, a feeding frenzy and vilification. Much of the coverage was not only completely irrelevant, but there was a homophobic tone to it which I found deeply offensive. The slurs on the man were out of order. All good and decent people in this country accept that. I include in that number fellow journalists.

I am grateful to all the people who have contacted me by letter or e-mail. Among them have been journalists, some of whom wanted to speak privately. Among good, sensible journalists there is a desire now for clarity. I will deal in due course with the Contempt of Court Act 1981. It as if those journalists want us, as Parliament, to help them in a way that they cannot do themselves. They cannot self-regulate because of the financial pressure that is being placed especially on our newspapers and on our broadcast media. I shall deal with that point later.

Enough is enough. We must do something about the matter and stop it. It is not just ordinary members of the public and journalists who want clarity and who want the present practice to end; it is also the police. I shall touch on that as I go through my speech. The man who was first arrested in Bristol was not the first, but I want him to be the last. There are other examples. Again, I am grateful for the e-mails that I have received and the information that I have been given from various sources to remind me of other people who have found themselves in a similar position.

Iain Stewart (Milton Keynes South) (Con): Another aspect is that people will maliciously accuse someone of a crime in the hope they will do damage to that person. The person may be entirely innocent, but the fact that they are arrested and their name possibly publicised could have a hugely detrimental effect on their lives and future career. I am grateful to my hon. Friend for introducing the Bill.

Anna Soubry: I thank my hon. Friend for that contribution. Of course I agree. There is a long-term effect. If we go on to the internet and put in a name, as I have done, or certain key words, we find that a host of people have been in a similar situation to that of the first man who was arrested in Bristol. It has been put to me by all sorts of people—I am grateful for the information and the comments—that once something like that has happened, because of the great power of the internet, it

is there almost for ever more. If we google a name or an incident, the information that comes up might go back 10 or 20 years.

The slur on somebody will remain for a very long time, even though they have never been charged, even though they have been exonerated and even though it has been accepted that there was no substance to the allegation. That means that people who put themselves into public life—television personalities come to mind, as do soccer players, even councillors, and those who have chosen a certain profession or job, such as teachers or clergymen—are highly susceptible to false allegations. There are many examples of people who have had an allegation made against them and who have then found that their name and address, the charge and more have been published both locally and nationally.

We have to ask ourselves how all this came about. There is a growing acceptance that a cult of personality exists. The rise of the celebrity has gone into territory that none of us find acceptable any more. Somebody who might have been on television suddenly finds themselves plastered all over every newspaper and magazine. Sometimes their agent or others want that, in order to advance their career. The downside is that they then become almost a free hit—fair game—for anything salacious about them to be published at any time, particularly if they have the misfortune to be arrested for something.

As a society we increasingly have a desire to pick over the intimate and salacious details of too many people. Perhaps we have an unhealthy interest in other people's private sex lives. We also have the declining fortunes of newspapers. Why do newspapers and magazines find themselves in a position whereby they have to print almost anything in order to keep up their circulation? One reason is the 24-hour rolling news with which all hon. Members will be familiar. The simple truth is that it is sometimes a struggle to fill 24-hour rolling news, and in the endless rolling round of that news, stories are repeated, so something new, something fresh—breaking news—is needed, and everything becomes highly sensationalised and great drama is created.

A recent example was when the congresswoman was shot in that unfortunate incident in Arizona and the BBC 24-hour news service reported that she had been killed. It was wrong on that, but it was working off two reports that it claimed to have verified. I watched with care some of the following analysis and, rightly, criticism of the coverage of the story and how that happened. The BBC said that it had checked it out and done everything that it should have done in following the various procedures. But, with respect, underlying that was a real desire to have a new headline, to break some news, to put something sensational into it, to increase its ratings and keep up with the opposition given the proliferation of channels that we have seen. In many respects it can be said that the old solid principles that I was taught when I trained as a journalist have been eroded in the endless search for higher ratings and greater circulation. I do not think that 24-hour rolling news has assisted us in making our press one of the finest in the world.

We have also seen a decline in advertising. All hon. Members in the Chamber will know their local newspaper, if they still have one. Many of them are suffering quite dramatically from declining sales, for which, as I say, there are many reasons. I have a great deal of sympathy for local and regional papers in these difficult times, but I urge them to be true to the good solid principles of journalism, including not to sensationalise.

Nicky Morgan (Loughborough) (Con): My local newspaper, the *Loughborough Echo*, has started a new column of reports from the local magistrates court about those brought up and charged with offences. That is an old-fashioned style of reporting, but it is good to read about those who have been charged with committing an offence. However, that is the right time for the public to become aware of the fact that people have committed offences. My hon. Friend is absolutely right to ask for a period of anonymity earlier in the charging process.

Anna Soubry: My hon. Friend makes an extremely important point. I am familiar with *Loughborough Echo*. For reasons that I shall not go into because they are completely irrelevant, I buy it and I read it. It is an example of a good local paper, but it is also an example of a paper that is struggling with its circulation. I am delighted that it has such a column. When I worked on the *Alloa and Hillfoots Advertiser and Journal*, one of the great sources of our stories was the sheriff court. As a trainee journalist, I was duly packed off to sit with my newly acquired shorthand skills, which were extremely limited, and report on what was happening there. One of the problems in our society is that because so many newspapers find themselves in a position where they cannot afford to employ the staff that they used to employ, they are not covering the magistrates courts or the Crown courts in the way that they did. I know that from my experiences at the *Nottingham Evening Post*, which had a reporter in almost every court.

Mr David Nuttall (Bury North) (Con): I am interested to hear about my hon. Friend's experiences in Scotland. Can she explain whether the procedures in Scotland were the same as in England and Wales? The Bill affects only England and Wales, and perhaps she can enlighten us on whether the code was the same in Scotland.

Anna Soubry: I thank, I think, my hon. Friend for that intervention, although it is the sort of intervention that is not terrifically helpful, in that unfortunately I do not know the answer and I will not pretend that I do. But I do know that throughout the United Kingdom the convention used to be not to report the name and address of someone when they were arrested. When they were charged, it was completely different.

To return to the point made by my hon. Friend the Member for Loughborough (Nicky Morgan), because people who committed offences, especially in their local community, were dealt with in the magistrates court where there was a reporter from the local press, upon conviction or a guilty plea, their name would be publicised locally. People would know that Bloggs down the road had had his hand in the till, or that Mrs Somebody had smashed the bus shelter. It was almost part of the punishment that people's names would be in the local paper and that neighbours would know who had committed a criminal offence. It is a great shame that, for perfectly understandable reasons, so many of our newspapers now simply do not have the reporters to cover such cases. There is also a very good argument that they are

[Anna Soubry]

missing a lot of good cases that they should be covering for reasons that I have explained, and also because they provide good copy.

The other reason why our newspapers and television networks are suffering a decline in circulation and are engaged in a war of ratings is the internet. All hon. Members, especially those of us who are new to this place and fought in marginal seats, are more than aware of the great power of the internet, Facebook, Twitter—truly not my bag; I leave that to people considerably younger than I am. But we are all urged to have our websites and update them regularly, and to send out our e-mail newsletters. We recognise the fantastic benefit that the internet has given to society, but there is a downside. With all good things, there is always a downside. The downside of the internet is that there is an abundance of information; as I have said, for false slurs can stay on the internet in perpetuity. The internet is a genuine alternative for sources of information, including news, to newspapers and television. I have a great deal of sympathy for newspapers that put a lot of their news on their website, which is free.

I have to make this point, because it is important. To their credit, by challenging effectively the financing of the BBC, the coalition Government are asking whether it is fair that its website is completely free to view. The BBC website is an outstanding source of news, but it means that newspapers in particular, as well as other broadcasting companies, operate their websites with one hand tied behind their back, because they do not have the advantages that the BBC has through the licence fee and the other freedoms that it enjoys which allow it to produce such an excellent website.

Sir Peter Bottomley: I clear my throat by saying that I do not agree with what appears to be a suggestion that the BBC should not be excellent in producing its website. Could the convention that my hon. Friend grew up with be reintroduced, and would it be possible for the Press Complaints Commission to agree to what she is going for, or do we really need this legislation?

Anna Soubry: I was going to deal with precisely that point. I would much prefer the profession that I was once a member of to self-regulate in the way that it used to. I am grateful that a member of the PCC contacted me to talk about the code of conduct. I think that in 2003 there was much consideration of a change to the code of conduct following the arrest, under the Terrorism Act 2000, of various people, I think in Birmingham. Unfortunately, that never resulted in anything. With respect to those whom I used to work with, and the profession that I am proud to have once been a member of, I am afraid that we have gone way beyond self-regulation.

I wish that the media would regulate themselves. To be blunt, I wish that people would not buy the newspapers or watch the television news programmes that they then condemn for the type of coverage given to the first man arrested in the Bristol case, but unfortunately that will not happen. We could just wait for common sense to prevail and for the previous convention to be returned to, but my fear is that other people will suffer in the meantime in the way that he has suffered. That is why I believe that it behoves this place to look at how we can improve the law to ensure that this mischief is cured once and for all.

I might have to explain, although perhaps not to everyone in this place, why it is wrong for people who are arrested to have their names published in the newspapers. A slur is placed on them, because the attitude that there is no smoke without fire always prevails. At this juncture, I should explain that the police must have reasonable suspicion before arresting someone, but there is a good argument that they are perhaps a little too keen to secure an arrest. Members may remember the expression, which was used in newspapers and on television and the radio, that a man of such and such an age was "assisting the police with their inquiries". There now seems to be more of a tendency in those circumstances for the police to arrest someone to secure their attendance at the police station and ensure that the provisions of the Police and Criminal Evidence Act 1984 are abided by, because being an arrested person gives that individual certain rights once they are in the police station. The police need only a reasonable suspicion to arrest someone.

However, individuals are charged only when there is at least a prima facie case, and charging normally comes towards the end of an investigation when all the evidence has been gathered and considered. In serious cases, the charging decision is shared with the Crown Prosecution Service, sometimes with leading counsel brought in so that the right charge is decided upon. The CPS and the police will have gone through various tests to decide, for instance, whether it is in the public interest to charge an individual, whether there is a reasonable chance of conviction and so on. By the time they come to charge the individual, therefore, they are a long way down the track in an investigation, and hopefully closer to securing the right person to be placed in the dock, because once someone is charged, they are very swiftly in court.

Philip Davies (Shipley) (Con): I do not happen to agree with my hon. Friend on the Bill, but I certainly commend her for initiating the debate. Does she not accept that the ability of newspapers and the media to publish the names of people who have been arrested is a great control on potential abuse by the police? If the police can go around arresting people and the media are not allowed to report it, that could lead to the police in certain circumstances arresting more people than is necessary, and no one would ever find out about it.

Anna Soubry: My hon. Friend will have read the Bill and will know that it makes provision for the police, the arrested person and the press to be able to apply to a Crown court judge for leave to publish the name and address of an arrested person if it is believed that that would be in the interests of justice or in the public interest. I will move on to the detail later, but I want to make it clear now that there are exceptions in the Bill to ensure press freedom in the right circumstances and so that the police, or the arrested person, can have a name and address published if they so wish.

Philip Davies: I am grateful to my hon. Friend for that explanation and think that this sort of debate is helpful. Would it not be better to have the presumption that those details can be reported, but that in exceptional circumstances they should not be? Surely, in the natural course of events, that is the more proportionate way around.

Anna Soubry: My hon. Friend makes a good point. I started by saying that I think we all agree that we have gone too far and that a great wrong needs to be righted. As I said from the outset, I am more interested in correcting that wrong by whatever device is best able to do that, rather than simply commending the Bill all the way through and urging Members to vote for it. Of course I want it to succeed, but my real aim is to ensure that what happened to the man in Bristol never happens again. I do not much mind by what device that is done. The Bill could perhaps be changed in Committee if we find that a presumption of publication with exceptions is the better way to do it, but my reservation is that by the time the name has been published and salacious details have been put into the press, there is not much time to go to a court to have that stopped. I want to stop it happening in the first place.

Gareth Johnson (Dartford) (Con): There is a great deal of merit in the general thrust of my hon. Friend's Bill, which is to protect people who have been arrested, but would not a better approach be to equalise the sub judice rules that apply post charge, which generally seem to work, with those that apply pre charge, so that individuals can be named, but without the sensationalist reporting that concerns her most of all?

Anna Soubry: I am again grateful, because that is a good point well made. There is a good argument that the way to cure this mischief is by amending the Contempt of Court Act 1981. I will in due course deal with why that Act is inadequate. If it were adequate, I have no doubt that the Attorney-General would have used it to stop the salacious and vilifying nature of the coverage of the man arrested in Bristol.

To return to why it is wrong for someone to be named and vilified after being arrested, we should also consider the distress caused to that person, which I touched on earlier. During the course of my research, I looked at the case of a much-loved television personality—I will not name him—who appealed to people of all ages and was a true family entertainer. I did not know, because it does not matter to me, that he is gay. He had been married and had children, but the reality is that he was a homosexual. In due course he came out, which was a matter for his private life, and got on with his life. Most importantly, he continued to be an extremely good television presenter and entertainer. One evening, he was arrested as he came off stage following an allegation of a misdemeanour some years earlier. As a result, his name and the details of the allegation were published.

What followed was not quite a media feeding frenzy, but the details of the man's private life, his sexuality and such matters were written about extensively in the press. A few weeks later, when he returned to the police station, the police said that they would not be charging him and he was accordingly exonerated of the allegation. He always maintained his dignity, and issued a statement through his solicitor which said:

> "I was always confident my name would be cleared in due course. However, it's been a very anxious and upsetting time for me and my family, not least because of press coverage at the time of my arrest."

I quote that statement because it is important to remember that we are talking about real people who somehow have to pick up the pieces of their lives. Knowing what has been published about the first man who was arrested in Bristol, we must ask how on earth he will pick up his life after what has been said and written about him.

Nicky Morgan: The issue affects not only the individual, but other people such as their family—particularly their children—and work colleagues. My hon. Friend talks about the media interest, and she will remember that in the Bristol case the media, rightly seeking to profile the initial person who was arrested, went to the school where he had taught. The head or deputy head teacher had to go on television to talk about the individual, and such experiences are distressing if one has never been in the glare of the media spotlight before. Does my hon. Friend agree?

Anna Soubry: I am grateful to my hon. Friend for raising that, and I completely agree. That is the difficulty. In the newspapers we see the headlines and the story but never what is behind them or, most importantly, what happens in the wake of them.

I was describing how, by googling on the internet or doing any research through newspapers—although googling is the quickest and smoothest way—I came across several cases of football players who had been arrested on allegations of rape. One case is relevant to my hon. Friend, because it involved a Leicester football player. I did not recognise his name, but that matters not at all. He received extensive media coverage when he was arrested on an allegation of rape, and again, within a matter of weeks, when he went back to the police station on bail he was told that he would not be charged and that was the end of the matter. The newspapers and local television station covered the arrest extensively, but the fact that no charges were brought barely received a mention. I have not found any case, anywhere, in which somebody's not being charged has received exactly the same amount of publicity as their arrest.

There are cases of councillors—some might be known to Members—who have been arrested on all manner of allegations, be they fraud, corruption or sexual assault. Again, I have looked at the newspapers and on the internet, and their arrest often makes the front page of the local newspaper. The fact that they are never charged, however, does not get on the front page; if they are lucky, it might be on page 2 or 3 and amount to half a column, but it is never the same as the initial coverage they receive when they are arrested. That is not right or fair.

Mr Mark Spencer (Sherwood) (Con): There was the case of a taxi driver who attacked female passengers, and when he was arrested other victims came forward. The publicity surrounding the case assisted other victims in doing that. What does my hon. Friend say to people who cite such instances?

Anna Soubry: I am grateful to my hon. Friend for that intervention, because he makes another important point. That is why the Bill, to cover exactly that situation, enables the prosecution to apply to a Crown court judge for leave to allow the media to publish the name and address of somebody if they believe it is in the interests of justice, which means a belief or a suspicion reasonably held that other people might come forward either to make a complaint or to assist the police in some way in their investigations.

[Anna Soubry]

The same exemption exists for the arrested person, because there are instances whereby somebody who is arrested might want their name published, especially in the local paper. For example, somebody might be arrested following an allegation by their employer that they have been stealing from work, and their defence might be not just, "I haven't done it," but, "I know my employer has made the same allegation against other workers and they haven't done it. Somebody's got their fingers in the till. It's not me, but they've now pointed the finger at me because it suits them and is convenient, so I want my name in the newspaper and I am quite happy for my address and the fact that I work at such and such a place to be published, because I believe that x workers there or other people may come forward with information that will assist my preparation of my defence." I have allowed for all that, because I do not like blanket bans on anything, and it is always important to recognise that there are exceptions to every rule.

My hon. Friend the Member for Sherwood (Mr Spencer) mentions police investigations, and we forget that in many instances the police are appalled by the sort of coverage that we all saw in relation to the first man's arrest in Bristol. It is an injustice to the police to say that, in those instances where names and addresses have been leaked to the press, it is always their fault, because it is not. No doubt there are instances when the police give the name and address to a member of the media, and some cash might change hands. I do not have evidence of it, however; I am working only on what others tell me.

In a high-profile case such as the Bristol murder, however, with all the media attention it is almost inevitable that, if somebody is arrested, a neighbour, especially somebody in the proximity of either the deceased or the place where the crime occurred, will see or know that Bloggins has been arrested. The neighbour or somebody else will often just happen to know the person, as people do in any community, not just small ones, and they will give the name to the press. The police do not always do so, and it would be wrong to place all the blame on them.

I do not want to get into a blame game, but if anybody is to blame then responsibility lies with the media and, ultimately, all of us—everybody who buys newspapers, watches television and listens to the radio. If only we could gather together and say, "Enough is enough. I am not going to buy this newspaper, watch that television news programme, listen to that radio station or subscribe to that television channel," we might make the progress that we all want and, as I have said, cure the mischief that we all oppose.

I very much want to deal with the Contempt of Court Act 1981, to which we have alluded. I shall tread carefully, because we do not want a debate about jurisdiction or to pick over the Act in detail, but, having read it, I and others take the view that in its current form it is not the device to cure the mischief that we all agree must be sorted out. Although the strict liability rule that it imposes—indeed, the whole nature of the Act—deals with people who have been arrested, the rule is clearly designed to deal with cases that, in effect, are in the court process. But if one is arrested, one might never go to court. That is the whole point: unless one is charged, one will not go to court. I hope I am explaining my point fully and in non-legal terms, because the Act does not cover the misdemeanours and wrongs that we all want righted.

Mr Nuttall: Does the Act not apply to active cases, and is it not therefore just a problem of interpretation? If we interpreted the Act more strictly, we would capture all those cases.

Anna Soubry: With great respect to my hon. Friend, I wish it were as simple as that. The Act certainly deals with people who have been arrested, but it states:

> "The strict liability rule applies only to a publication which creates a substantial risk that the course of justice in the proceedings in question will be seriously impeded or prejudiced."

That is a very high test, and my understanding of its interpretation is that there have to be court proceedings that are likely to be impeded or prejudiced. When somebody is charged, they will go into court very soon afterwards—court proceedings are almost inevitable. At the moment, as soon as somebody is charged the sort of coverage in the press that we see when somebody has been arrested ends completely. That is because the press knows that subsection (2) deals with cases once somebody has been charged because, in effect, proceedings will have begun. There are no proceedings when people are arrested because they have merely been arrested. They can be arrested, taken to a police station but not interviewed, and "bailed back" to another day. That is why the Contempt of Court Act, as it stands, is inadequate.

Whatever happens to this private Member's Bill, I very much hope that as a result of the publicity surrounding this debate and, particularly, that surrounding the first man arrested in the Bristol case, will turn the Government's attention to the Contempt of Court Act. If that Act were amended, then people who are arrested could have their name and address published, but all the highly prejudicial material that we saw in the Bristol case would not be published because, in effect, it would be in contempt. Contempt is probably not the right word to use: to put it in lay terms, it is plain unfair and wrong. It may well be that through the Contempt of Court Act, or some other instrument, we can make things better and cure the mischief.

Mr Robert Buckland (South Swindon) (Con): My hon. Friend makes her case very powerfully. Two things strike me about the Contempt of Court Act. First, it is 30 years since it was passed, and that is a long time in terms of criminal justice developments. The length of time between arrest and charge and trial has got longer and longer, so there is an issue about understanding what "active proceedings" means. Secondly, proceedings under the Act can be brought only with the leave of the Attorney-General, which is a time delay and a fetter on the discretion of individual trial judges.

Anna Soubry: I am grateful for that intervention by my hon. and learned Friend. I am sorry—he is not actually learned, although he is certainly an hon. Friend. He used to be learned, and is undoubtedly a far better lawyer than I am, as we have just heard. He makes the point far better than I have been making it.

The last thing that anyone wants—including Conservative Members—is more criminal offences. I do not want to make party political points, but there was an abundance

of criminal justice legislation under the previous Government. I think that 44 such Acts were passed, and goodness knows how many thousands of new criminal offences were created. I am keen not to add to that burden. However, I am very keen that we sort out this problem. In yesterday's debate about legal aid, my hon. Friend the Member for South Swindon (Mr Buckland) pointed out that in this country we prosecute 1 million more people than other comparable countries, so there is a good argument that we prosecute too much, perhaps because we have too many criminal offences—I know not. I am also keen to try to ensure that we, as a nation, spend less money, not more, and inevitably when we create new criminal offences there is a danger of spending more money.

I urge the House to support the Bill because I want this problem to be solved once and for all. I am getting to the stage where, frankly, it does not bother me so much how it is done, just as long as it is done. I would like the media to regulate themselves, but for reasons that I hope I have explained, that is unlikely.

I want to make a couple of points particularly to the Minister. This issue will not go away, whatever the outcome of the Bill. It is important that we remind ourselves that the Government are laying before this House the Education Bill, which will make it an offence for the name of a teacher to be published, following an allegation from a pupil, until such time as they are charged. It seems as though we have accepted that we have a problem that needs tackling and sorting out and the Government have already seized the nettle, so even if I am not successful today, I will have another opportunity when that Bill comes before the House. There is also the sentencing legislation that will inevitably follow. It is perhaps ironic that the Government, rightly, want to give anonymity to teachers in the circumstances I have described, and yet there is an ex-teacher in Bristol who has been afforded no protection from the vilification and feeding frenzy that we have all witnessed in recent months.

I thank everybody who has sent me an e-mail, written to me or supported me in other ways in introducing this Bill. In particular, I thank hon. Members for their advice and support. I commend the Bill to the House, and I hope that it can make progress today.

10.26 am

Tom Brake (Carshalton and Wallington) (LD): It is a great pleasure to follow the hon. Member for Broxtowe (Anna Soubry), who made a measured and thoughtful contribution. I have not had an opportunity to have any dealings with her before, so I made some discreet soundings about her among my Liberal Democrat colleagues, and there was broad agreement that she is a very sound, responsible and dignified Member of Parliament. I am therefore pleased to have the opportunity to support some of her comments.

Like the hon. Lady, I will try to avoid mentioning any names. She did such a good job in disguising the details of one of the earlier cases that she mentioned, which related to a TV personality, that I am not sure whether she was talking about the person to whom I am going to refer, in very vague terms, who was also a TV personality and who, several years ago, received press coverage indicating that he had committed some very serious offences. Only yesterday, my researcher, who had been looking at the Bill, pointed out to me that that person was in fact found not guilty of anything at the end of the process. It was lodged in my mind, and I suspect the minds of millions of other people around the country, that this person was guilty of something, and that is what remained from that coverage. The hon. Lady's point is therefore a very good one. The press leave people with the clear implication that people who have been arrested are guilty of a crime, and although that subsequently proves not be the case, the thought is lodged in people's minds that they are guilty.

The hon. Lady's Bill, as she has clearly stated, would prohibit the publication or broadcast of the name, address or image of a person arrested for an offence if such information would lead members of the public to identify him or her as the person suspected of committing the offence in question. She has set out the necessary safeguards to provide that a Crown court judge would have the power to direct that reporting restrictions should not apply in a particular case—for instance, where identifying a suspect in the press might lead to the coming forward of additional complaints or information that would assist the police investigation of the suspect. I wonder whether she thinks that that would have allowed the Crown court judge in the most recent case that she mentioned to have lifted reporting restrictions. Perhaps in a case such as that, as in many others, the lifting of reporting restrictions could lead to the coming forward of additional complaints or additional information of assistance to the police. It is therefore hard to see where the line would be drawn between assisting the police and protecting the individual who has been arrested but has not been charged. The Bill rightly makes it clear that existing constraints on reporting, such as those relating to people under the age of 18, would still apply. It proposes no changes to those constraints.

Some counter-arguments to the Bill have been expressed in interventions. One relates to the degree of protection for people who are arrested under the current arrangements and then have their name publicised. As I understand it, the Bill is flexible enough to allow an arrested person to seek to have their own name put into the public domain if they feel that it would help them to prove their innocence or to protect them by making people aware of their arrest, for example in cases where there are concerns about what might happen in police custody.

I promised to keep my remarks short, and I will keep that promise. To conclude, I think that the hon. Lady's Bill has merit. She has explained succinctly, using much supporting information, what she is seeking to achieve. She has identified an area in law that requires greater clarity. We need to improve the protection for innocent people who are wrongly implicated by the press as potentially having committed a serious crime. It is clear from the comments of press editors that even they think the law is unclear in this respect. Perhaps they are using that as a protection or justification for some of the things that they do. However, if the law was clearer, they would not be able to fall back on that as a defence for the fact that they often put information into the public domain that should not be there.

Philip Davies: Does the hon. Gentleman accept that in many high-profile cases there would be no end to the speculation, rumour and gossip in the local community?

[Philip Davies]

In many cases, the media printing a factual piece of information giving the name of a person who has been arrested prevents gossip and rumours that would vilify other people in the local community who are not in any shape or form involved.

Tom Brake: The hon. Gentleman highlights why this is not a straightforward issue. Although the hon. Lady's short Bill makes an important contribution and moves the debate on, I suspect that it does not cover all the hon. Gentleman's concerns, or, indeed, mine. There are other issues with the Bill, such as its non-applicability to Scotland. There is therefore the potential for matters to be raised in the Scottish press and thereby get some coverage here. Clarification is also required on how the internet and websites would be addressed.

The hon. Lady referred to the Press Complaints Commission. In responding, perhaps the Minister will update us on the PCC's progress in relation to the most recent case to which the hon. Lady referred. We want to hear that it is taking the matter seriously.

I would be happy to see the Bill make further progress. However, if its fate has been sealed by a shadowy cabal of conspirators behind closed doors, I hope that the Attorney-General will consider its merits and take on board the hon. Lady's legitimate concerns.

10.34 am

Mr Robert Buckland (South Swindon) (Con): I am grateful for the opportunity to speak in support of my hon. Friend the Member for Broxtowe (Anna Soubry), who has introduced this Bill at an important moment in the development of our media.

So far, the debate has concentrated, quite properly, on press and print journalism, whether in the form of the local newspaper that we read every day or the web pages of such newspapers, which are read increasingly widely. Therein lies the important development—the internet. The internet has had an effect not just through local newspaper websites, but through Facebook, Twitter and the myriad ways in which individuals can share and disseminate information, and spread false information. Therein lies the problem.

I have said before in this place that the issues relating to reporting restrictions go wider than those of justice and move into the area of media and communications, which is the province of the Department for Culture, Media and Sport. Although it would be Canute-like to try to hold back the tide of the internet, we have a lot of work to do with local press, national media and networking sites such as Facebook and Twitter to get a degree of consensus about when it is inappropriate to allow the spread of misleading and false material. The Bristol case is but the latest and most extreme example of the mischief that my hon. Friend seeks to cure. None of us has all the answers on how to deal with the proliferation of modern media, but we have to acknowledge that it lies at the heart of this matter.

In my view, the Bill goes some small way to resolving what is an entirely grey area: the stage between arrest and charge. The current situation is mixed. Hon. Members have pointed out that we have the Contempt of Court Act 1981, and I will come back to that in a moment. More relevant to the stage between arrest and charge is the police guidance. The police guidance on the naming of adult suspects is simple. The police will not usually name a suspect until charge, but it remains a matter for individual discretion. In other words, there are no hard-and-fast rules. It is not advisable to name a suspect, but sometimes there will be good reason to do so.

The Bristol case is significant, because the police never confirmed the name of the man who had been arrested. The information reached the media by different means. That relates to my first point about the viral spread of alternative media and means of communication.

Philip Davies: Of course, the other law that is in place to protect people is the law of libel, which prevents people from spreading untrue allegations. Is not the hon. Gentleman's first point about the power of the internet one of the reasons why the Bill is flawed? In practice, the restrictions in the Bill would apply to newspapers, the broadcast media and perhaps some of the more responsible aspects of other media, but there would be no way of effectively controlling what was put out by websites based abroad—they are based all over the place.

Mr Buckland: I readily concede that my hon. Friend makes an important point about the practical implementation of the legislation. The Bill goes as far as it can to deal with the mischief. His point is sadly common in issues relating to the misuse of media. There are issues with cybercrime and with the use of internet sites that are based in far-flung places abroad, over which we have no control. This week, I heard about a nasty little website that deals with gossip among schoolchildren, which is based in Belize. It has caused a lot of misery for our schoolchildren, yet it seems that there is little we can do about it. My hon. Friend therefore makes a fair point about the natural limits of jurisdiction.

Mr Spencer: What sort of weight does my hon. Friend think the general public attach to such information? Would they consider a report on the BBC or in a newspaper as factual but a report on a social networking site as perhaps not based in fact?

Mr Buckland: My hon. Friend is right to put a high degree of faith in the judgment and good sense of ordinary people in making the distinction between what they would see as authoritative sources of information and the sort of tittle-tattle that fills far too many social networking sites. A judge giving a direction to a jury can deal with such mischief and, if I may say so, my hon. Friend sounded a little judicial in his intervention, because I can imagine a judge saying to a jury at the beginning of a trial, "Please disregard any gossip you may see on websites. Don't tweet. Don't look at Facebook. Disregard all those websites." There is a great difference between information and knowledge.

Mike Freer: I am not a lawyer, so I do not profess to know the technicalities of the difference between information, gossip and libel, but can my hon. Friend confirm that the written media carry much more weight than the internet?

My hon. Friend the Member for Shipley (Philip Davies) mentioned libel, but often, the points that are reported are facts. The gentleman in Bristol was gay, he was eccentric and he was a teacher, but it is the insinuation that is wrapped around such facts that causes the damage. That gentleman was referred to as a teacher at a school, within a mile of which a murder had taken place several years previously. All that is factual, but the insinuation that the media wrap around such facts causes the damage that needs to be controlled.

Mr Buckland: I agree with my hon. Friend about the assertion of facts that could be prejudicial to any future investigation, although I would say that I am now of the view that internet and print media are indistinguishable. The only difference between them is that today's print is tomorrow's firelighters—tomorrow's chip paper, as I think I called it in another debate. The problem with the internet is that it is not just for Christmas, it is for life. I could give a number of examples of constituents who, years after having been exonerated and cleared of very serious allegations, still have to live with the fact that when a Google search is made against their name, a newspaper report about that false allegation comes up. It haunts people who are in that unfortunate situation. As I said earlier, that is a matter for DCMS input and for regulation, because we need consensus about how to deal with the sometimes baleful effects of internet reports that linger for years and years.

I return to what I regard as the grey area between arrest and charge, and the somewhat cumbersome nature of the Contempt of Court Act 1981. As I said in an intervention on my hon. Friend the Member for Broxtowe, the leave of the Attorney-General is needed before any prosecution is brought, which can often be a cumbersome way of doing things. Such things take time, because obtaining that leave can interrupt proceedings and lead to a delay before a decision is made, which can be damaging in itself. As she said, the test set out in that Act—whether there is

"substantial risk that the course of justice...will be seriously impeded or prejudiced"—

is a high one. It mentions the course of justice, however, and at the point of arrest we do not know whether there will be a course of justice in the sense of a charge. I can see many a clever lawyer—much cleverer ones than me, although I have received a degree of praise today that I perhaps do not deserve—taking that point firmly by the reins and running with it.

In short, the Act, which is celebrating its 30th year, needs revision, and here is my suggestion. We should consider the point between arrest and charge in a different way from the point from charge to trial or conviction. There should be a presumption against the publication of details of an arrested person prior to charge; then that presumption should be reversed post-charge. In other words, we should apply the interests of justice test, but with safeguards in place, acknowledging that the decision to charge is significant. It means that the prosecution has formed the view that there is a reasonable prospect of conviction, and that it is in the public interest to charge. That is an important and simple test that everybody can understand, both in this place and elsewhere, and it should trigger more disclosure.

Prior to that point, unless there are public interest reasons such as those clearly set out in the Bill, the presumption should be the other way around and there should not be publication unless there is a clear public interest such as that my hon. Friend the Member for Shipley (Philip Davies) rightly referred to. I can imagine, and in fact I know of, scenarios in which there is a tight-knit local community or an estate in which a particular issue arises, and it would be in the local public interest to know that suspect A had been arrested. That person may well be known to local people, and it would give them a sense of confidence that the criminal justice system was working. Most importantly, if there were any perceived injustice at that stage, people in the local community could come forward and say, "We think you've got the wrong person—will you investigate why?" I can imagine a whole host of community and wider public interest reasons why publication could and should take place.

The observation that my hon. Friend the Member for Dartford (Gareth Johnson) made earlier about limiting the details that can be published to someone's name and address has merit. In the spirit of the comment of my hon. Friend the Member for Broxtowe that the Bill is not necessarily the precise device needed to cure the mischief, it could well be that if the Bill proceeds further, or in the course of a wider review of the Contempt of Court Act, we should consider carefully whether setting out clearly in statute a provision for the publication of name and address could cure the problem of the grey area that I have been talking about.

I have mentioned the exceptions that my hon. Friend has set out in clause 2. I welcome them, with one caveat. Subsection (2)(c) and (d) state that it will be in the interests of justice to make a direction when

"it may lead to information that assists the arrested person"

or if

"the conduct of the...defence at trial is likely to be substantially prejudiced if the direction is not given."

I wonder whether we need the word "substantially". Perhaps it would be far better to take it out and make the point that if the defendant wants the provision to apply, that is a matter for them. The burden of proof is not on the defendant, as we all know, so perhaps that word should be taken out.

Mr Nuttall: I will hopefully have the chance to make this point in my own comments later, but does my hon. Friend agree that subsection (2)(c) and (d) could be removed from the Bill, so that we could have a far easier process whereby the defendant would sign some sort of statement, having taken legal advice, that they were happy for their name to be released?

Mr Buckland: I am always attracted by arguments that lead to simplicity, and indeed, that could work. I believe that an interests of justice test should be construed widely, and that when we list particular circumstances, lawyers tend to take a prescriptive view. There is a highly attractive aspect to what my hon. Friend says, and I am sure that my hon. Friend the Member for Broxtowe would consider such an amendment carefully.

Perhaps we are getting into legalese, and I apologise for that. I shall move on to highlight an interesting local debate in my constituency. My local daily newspaper, the *Swindon Advertiser*, quite properly has an interest in reporting local crime and antisocial behaviour, and it does so in a largely responsible way. Once or twice I

[Mr Buckland]

have taken issue with the editor, perhaps when a photograph has been a little insensitive, but broadly speaking I am very much in support of my local newspaper's work. An interesting debate recently occurred in the paper about whether the names of young people who have been made subject to interim antisocial behaviour orders should be published. [HON. MEMBERS: "Hear, hear."]

I thought that would arouse some interest. My view is that, whenever possible, the names of young people who are on full or interim ASBOs should be published. That goes back to my earlier point about the immediate local community and its clear interest in helping the police enforce ASBOs. As we know, enforcement of ASBOs has been one of the main criticisms of the mechanism, which has existed for the past 10 years. Far too often, ASBOs have failed because of poor implementation.

The problem arises with the interim ASBO. There is a legal halfway house between a full hearing, in which the evidence is set before the court, the court is satisfied to a high standard that the case has been proved, and an ASBO is issued—frankly, publicity should follow that because due process has occurred—and the interim stage, for which the test is whether the judge thinks that it is just to impose an interim ASBO. That is a wide test. In reality, a judge is faced with a wealth of documentary evidence, which the complaining authority in civil proceedings—usually the local authority—has amassed, and reached the view that there is a case to be made and that, in the circumstances, the interim ASBO is just. However, no formal findings of fact have been made at that stage. Again, it is a grey area, and I can see both sides of the argument. However, I believe that when we reach such a stage, the presumption should be in favour of publication. I hope that my analogy between civil proceedings and the criminal process after charge is clear.

I read with interest several leaders in national daily newspapers that either support or oppose the Bill. *The Daily Telegraph*'s leader struck me particularly as falling into the trap of eliding two issues. It brought together the Bill and celebrities such as footballers obtaining injunctions to prevent the publication of their names and details in relation to salacious stories about them. I see no correlation between that scenario and the purpose of the Bill. Why? In the celebrity scenario, we are dealing with behaviour that has not been denied. It is not a question of celebrity X saying, "Prove it. This never happened." Instead, the celebrity is saying, "It's my private life. I'm not getting into whether it happened; I'm not making a big fuss about that—I just want privacy." That is different from the problem that the Bill addresses.

Anna Soubry: Did not, unfortunately, the article in *The Daily Telegraph* omit to mention that under the Bill, the press, the prosecution and the arrested person—notably, in this instance, the press—can apply to a judge for leave to publish a name and address if they believe it is in the public interest? The measure does not constitute a gagging order on the press.

Mr Buckland: I absolutely agree with my hon. Friend. It is not about gagging the press. The Bill tries to strike a proper balance between the interests of justice and the wider public's right to know about what is going on in their community. It is a sensitive balance. None of us can pretend to have all the answers, but it is incumbent on us as legislators to do our best to meet the pressures of modern life and the dangers and abuses that can occur, as happened in Bristol, and try to be the guardians of essential liberties.

Tom Brake: The hon. Gentleman used the phrase, "sensitive balance", and I want to bring him back to ASBOs and publicising the names of young people who are subject to them. I have no time for people who have an ASBO slapped on them, but does not the hon. Gentleman, like me, worry that in Britain, more than any other country in Europe, there is a negative attitude to young people?

Mr Buckland: That point is powerfully made. I have said many times, in my constituency and here, that we are in danger of demonising the younger generation. We have all, as Members of Parliament, had some encouraging experiences when we meet groups of young people in our constituencies. I find them to be engaged, alive to the issues that confront them as youngsters, keen to participate in their communities and interested in the world about them. In a way, despite our concerns about some aspects of the syllabus and the direction of education, they are much better prepared for the vicissitudes of life than perhaps people of my generation and previous generations were.

Nicky Morgan: To counterbalance that and bring us back to the Bill, there was a case a few years ago of a young man who was accused of rape. During freshers' week at university, an unfortunate incident occurred with a young lady, and it was unclear whether consent had been given. The charge was not proven, but—to revert to the point about young people—the young man's life was ruined because he had been named. He was terrified about his future—his employment prospects, the misery of the next few years of university and so on. The Bill may particularly benefit young people against whom charges are not proven.

Mr Buckland: My hon. Friend makes a powerful point. As I said earlier, people can be haunted by internet stories about—worse than a charge that is not proven—an innocent person, against whom false allegations, which did not pass the test of the burden of proof, are made. We must hold on to our principles and remember that young people have their lives before them.

I agree with my hon. Friend the Member for Carshalton and Wallington (Tom Brake) about demonising young people, but, sadly, as with adults, there is a majority of good young people and a minority of bad apples. I therefore make no apology for a robust approach to the miscreants in our communities, some of whom are, sadly, young people, who cause genuine misery to some of my residents, and those in constituencies throughout the country. It is perhaps a little too glib to say that we should not publicise the names of young people who are given ASBOs. I mentioned the difficulty with interim ASBOs, but the presumption should be in favour of publication.

Philip Davies: My hon. Friend seems to place great faith in people applying to a court for a reporting restriction. Is he not concerned about the courts being

clogged up with such cases, given that the Courts Service is already under pressure? What does he envisage happening if a newspaper won its case? Who would meet the costs? If the newspapers are for ever expected to pay the costs of the case, very few will want to go through that expense regularly.

Mr Buckland: My hon. Friend makes an interesting point about the practicalities. Let me take the opportunity to tell him something that he may know—I ask him to forgive me if I am teaching granny to suck eggs. There is already a procedure in place in the Crown court for dealing with young people. Section 39 of the Children and Young Persons Act 1933 allows a reporting restriction to be granted on application when dealing with those who are under 18. It is the norm when a young person comes into the Crown court—obviously, for a more serious offence—that the application will have been made in the magistrates court, with a through-order carrying the restriction to the Crown court. Nine times out of 10, no objection is made to that, but there are occasions when local newspapers—reporters or the editors themselves—come to court and are allowed to speak directly to the judge and make representations.

It is very seldom, other than in cases of real public or national significance, that counsel and a panoply of lawyers come down to the court to represent, for example, a local or regional newspaper. It is quite a simple procedure. In my experience, many judges will hear a newspaper's representations and then make a ruling. It is actually quite a short procedure and not unduly cumbersome, so I am not as concerned as perhaps my hon. Friend is about the possible clogging of our court system. He is right to make the point, however, because I have seen the baleful effects of the Criminal Justice Act 2003, which suddenly filled the courts with loads of applications and led to lots of paperwork and lots more time and—frankly—money being spent by lawyers on procedures that could have been dealt with in a far more streamlined way. So it is an entirely proper point that we should all bear in mind when we consider the mechanisms of this procedure.

The one area where I could envisage some growth is in applications made to a court between arrest and charge. I accept that, but I would urge on those listening and the Government that if we are to make that change we ensure that we do it in a streamlined way that allows for simplicity. I want to emphasise the fact that these things have to be done quickly, and the idea of elongating and complicating proceedings should not form part of a court's considerations.

Clause 13 of the Education Bill is highly germane to today's Bill. That is the only reason I want to talk about it—I hope you accept that, Mr Deputy Speaker. It relates to a proposed reporting restriction on the publication of the details of teachers—as I understand the explanatory notes, that includes supply and peripatetic teachers—arrested for "relevant" criminal conduct following a complaint made by a "registered pupil" at the school where the teacher works. I welcome that long overdue proposal. We have seen some horrendous cases. My hon. Friend the Minister has had constituency experience of the problem, and I well remember quite a sensational case in south Wales about 10 years ago that resulted finally in either an acquittal or a variation of sentence on appeal. It was a highly publicised case that caused a lot of angst and anxiety for everybody concerned.

There is a strong public interest in preserving the privacy and reputation of teachers, who sometimes—sadly—are falsely accused of various criminal acts. However, like every exception to every rule, the boundaries and parameters of the restriction become quite difficult on closer examination. Let us consider the school environment. Clause 13 covers teachers, and the Government say that supply and peripatetic teachers are included in that, which is good news, but what about teaching assistants? They have a day-to-day role in the care and conduct of pupils and students. Are they to be treated differently? On the face of the proposal before us, it seems so. What about other members of the school staff, such as caretakers or people working in the canteen, who will come into contact with pupils and could be put into that vulnerable category? They are not included within the parameters of the Bill.

I make those points in the spirit of constructive criticism—but criticism none the less—because, as Members might acknowledge, there is a difficulty when we try to restrict these principles to one area of either the law or the community. That was the problem that we got into when we discussed the rape reporting restriction last summer. People could see the danger in singling out that type of offence, and the question was well put: if it is to apply to rape, why should it not apply to other sexual misconduct and types of conduct—violence, for example—between men and women? Quite rightly, the Government acknowledged that essential flaw as a result of quite a few debates in the House.

I am not saying that clause 13 creates the same level of problems as the rape proposals, but it is a problem none the less. I urge the Government to consider, in its widest context, the impact of the clause as well as the operation of the Contempt of Court Act 1981. I urge them to consider the problem on a more global basis and to come to a reasoned conclusion along the lines of the proposal in Bill presented by my hon. Friend the Member for Broxtowe.

It is astonishing that, having reached the second decade of the 21st century, with a criminal justice system that has, certainly since the late 19th century, developed to quite a high level of sophistication, we still have a lack of clarity when it comes to the reporting of the details of arrested persons before charge. I say "astonishing", because we have in this country developed—to far too great an extent, some of us would say—regulations to deal with all sorts of other types of perceived mischief. As a Conservative, I would say that a lot of those regulations have proved to be disproportionate and unnecessary. However, here we have an area where we have a fundamental balance to maintain—between the liberty of the individual and his or her reputation, and the wider public interest in knowing about the course of justice and the principle of open justice that has to underpin all criminal court proceedings. It is astonishing that we have allowed this grey area to prevail for so long. That loophole needs to be closed, which is why I commend the Bill to the House.

11.6 am

Mr Mark Spencer (Sherwood) (Con): I do not intend to speak for too long, but I feel the need to be here to support my hon. Friend the Member for Broxtowe (Anna Soubry), not only because her constituency is

[Mr Mark Spencer]

adjacent to mine, but because her Bill has great merit. She will be aware of how busy I am in my constituency office, given the debate over the forestry proposals and the fact that my constituency is Sherwood. None the less, I feel the need to be here to support her Bill. This matter truly requires more debate. Although I am committed to supporting the Bill in the hope that it can make further progress, today's debate has shown that there clearly is a balance to be struck. I will try to address that balance during the next few minutes.

The case in Bristol, which my hon. Friend mentioned, was a good example of how the furore around such cases can develop its own momentum and take on a life of its own. Of course, this was not a good thing in that case, but we have heard of cases in which the opposite was true. I recognise that the Bill aims to limit the ability of the media to go off on their own mission, but I also like the fact that other clauses would assist people in getting names out in the media, if that would be of benefit. That is really important. There have been a number of cases in which an accused individual received publicity that allowed other members of the public to come forward and say, "Actually, I have been affected by this individual as well." That enabled the police to build a case against that person.

Fundamentally, this debate comes down to a balance between what is interesting to the public and what is in the public interest. That is very difficult to legislate for. When I was a teenager in Nottingham in the 1980s, there was a real issue with the red light district in the city. Nottinghamshire police ran a great campaign to arrest people who were kerb crawling. The *Nottingham Evening Post* would then print the names of the individuals who had been arrested, and I could never resist buying it just to see whose names were in it that week.

Philip Davies: Was my hon. Friend looking to see whether his name had been published?

Mr Spencer: Unfortunately, as a 15-year-old boy, I could not get there on my scooter. Clearly publishing those names was interesting to the public, but was it in the public interest? The honest answer is: probably not. Did it add anything to the criminal justice system? Probably not.

Anna Soubry: I, too, recall that; indeed, I reported on a number of those cases. I can still remember some of the names of those people. One was quite a senior police officer in Lincolnshire, and there was another who was connected with the law. However, if my memory is right, was it not the case that those people had not just been arrested, but almost immediately charged? I am reasonably confident in saying that their names were published only because they were charged immediately after they had been arrested. That is why the press reported those names. If those people had merely been arrested with a bail back, I doubt whether the press would have reported their names.

Mr Spencer: I concede that my hon. Friend's knowledge about this issue is superior to mine. I merely make the point about what is interesting to the public and what is in the public interest.

My hon. Friend has referred to celebrities and TV personalities. The recent case that comes to mind is that of the Sky football commentators. Although they were not charged with any crime, there was large furore around those individuals. As I understand it, she is proposing a complete separation of such cases from those that end with a criminal prosecution. That is an important distinction to make. It is also one that leads me to support the Bill and to allow it to progress through the House so that we can debate its merits further. Many other points have been made, and I do not want to prolong this debate any further than is necessary, so I shall commend the Bill to the House and will support it during its progress.

11.12 am

Mr David Nuttall (Bury North) (Con): I congratulate my hon. Friend the Member for Broxtowe (Anna Soubry) on her success in the ballot for private Member's Bills and on securing the right to bring the important matter addressed by her Bill before the House this morning. Let me also remind Members that I have an interest to declare, as a solicitor and notary public, although I am non-practising and have not practised in criminal law. This debate deals with matters that I have not previously been engaged with.

Let me pick up one or two matters mentioned by earlier speakers. My hon. Friend seemed almost to be suggesting that the Bill should amend the Contempt of Court Act 1981. I can well see from the arguments that have been brought out this morning that there is perhaps a good case for doing that, although that is not what we are being asked to consider this morning. What we are being asked to consider is the Anonymity (Arrested Persons) Bill. However, the whole problem is that the people concerned are not anonymous. We know exactly who they are—or some people do. The difficulty is this: how we do, as a legislature, try to control what other people gossip about? I hope to set out some reasons why I think this will be a very difficult task, indeed, if not nigh impossible.

In reply to an intervention, my hon. Friend the Member for South Swindon (Mr Buckland)—who I see is just leaving the Chamber—was drawn into considering the respective strengths and merits of newspaper reports, as compared with the believability of internet reports. As the years progress, it seems to me that there is increasing parity between the two. Indeed, I submit that what often tends to happen is that something will immediately be released electronically and disseminated on the internet, and then the next day—or perhaps a day or two later—it will be picked up by the mainstream media and the printed newspapers. It does not seem sensible to suggest that the initial disclosure of that information—in this context the name, address and details of an accused person—is any less likely to be believed because it is read on the internet than it is because it is read in a newspaper a few days later, because ultimately that information may have come from the same source.

There can be no doubt that, if passed, this Bill will have an important and wide-ranging impact on the lives of those accused of committing criminal offences. It will also have a substantial impact on the media and, in particular, their crime reporters, one of whom, in a previous life, was my hon. Friend the Member for Broxtowe—

Anna Soubry *rose—*

Mr Nuttall: To whom I shall happily give way.

Anna Soubry: Does my hon. Friend accept that all I am asking for is that we revert to what used to happen? In the past, the name and address of an arrested person—not an accused person: an arrested person—was not published. All I seek to do is to revert to the old convention, which means that we would not have the sort of reporting that we have seen in Bristol.

Mr Nuttall: I think that that could be dealt with by the code of conduct for newspapers, which I understand already exists. There is no reason why that could not happen. In any event, the difficulty nowadays lies with the explosion of information on the internet. Therein lies the real problem. Everyone would agree that it is entirely laudable and sensible to ensure that the innocent accused should have their right to anonymity protected. The difficulty is whether we can achieve that in this day and age.

Philip Davies: The issue that my hon. Friend seems to be coming to is that people are not just innocent until they are charged, but innocent until they are convicted. Does he not think that what is being proposed could become a Trojan horse, and that the next move could be to say that nobody's details should be released, not just until they are charged, but until they are convicted of something?

Mr Nuttall: My hon. Friend makes a good point. The Bill seeks to suggest that someone who was accused of a criminal offence and then arrested should be entitled to anonymity, but that that anonymity would be lost the moment that a charge was brought. Logically, if the reason for going down that road is the rule that someone is innocent until proven guilty, we ought to maintain the anonymity of the accused right up to the trial, although I can appreciate that there may be reasons why they may not want that.

Anna Soubry: Surely the distinction is that, as soon as someone is charged, the Contempt of Court Act 1981 comes into full force. The Act prohibits any publication that would prejudice the court proceedings. The point about the material published in the Bristol case was not only that it breached that man's privacy but that it would undoubtedly have prejudiced any trial. We all want to ensure not only that justice is transparent but that it is not prejudiced.

Mr Nuttall: My hon. Friend makes a valid point. I submit that the reporting in that case fell foul of the Contempt of Court Act. As I said earlier, this raises the question of whether these matters would be better dealt with by an amendment to that Act. Such an amendment, combined with a strengthened code of practice enforced by the Press Complaints Commission, could be the way to address what we all accept is a genuine problem.

Every year, thousands of cases would be affected by this proposed change in the law, and, as with any law that we pass, it is imperative that we should get it absolutely right for the sake of everyone who would be affected by it. The basic tenet of English law that everyone is presumed innocent until they either plead guilty or are found guilty in a court of law is one of the cornerstones of our criminal justice system. I suspect that few, if any, people would dispute the sense of that basic principle. It is perfectly sensible that the Bill should seek to protect any innocent individual who runs the risk of having their character blackened, possibly for the rest of their life, merely as a result of having been arrested by the police. That arrest could well have come about as a result of the malice of someone who was entirely ill-intentioned, and the arrested person could be entirely innocent of having committed any crime.

My concerns about the Bill lie not so much in the principle behind it or in the fact that it seeks to put right an area of the law that is clearly wrong; they lie in the problem of enforceability. My first question is: why should there be a change in the law now, when we have managed without one for centuries? The answer lies in the development of the media. I am not just talking about the printed media—sometimes rather unfairly referred to these days as the "dead wood" or "dead tree" media—or the radio and television; we are now in the age of the internet and the social media.

In the past, it was relatively easy to monitor the media, and I suspect that the media were rather more deferential in their reporting of the private lives of individuals. As my hon. Friend the Member for Broxtowe has said, in the past, the reporting simply of a name and address would have been sufficient for many newspapers. Nowadays, we have the 24-hour rolling news service on radio and television that we all enjoy, although I am not sure that many politicians would use the word "enjoy" in connection with the demands of those news media. There is now an insatiable desire for more facts, of even the smallest nature, that can be released to keep the whole show on the road.

James Morris (Halesowen and Rowley Regis) (Con): Is my hon. Friend saying that we should not seek to update the law to reflect those momentous changes in the way in which information circulates on social networking sites? Does he think that we should just abnegate responsibility for the content of the internet, saying, "Well, actually, the law can't deal with this, so we should not seek to update it to protect the interests of the public"?

Mr Nuttall: My hon. Friend raises a crucial point. The difficulty that I have with the Bill is that I am not sure how enforceable it would be. I am not suggesting for a moment that we should not attempt to deal with the problem merely because it is difficult. However, because of the nature of the internet, it might not be possible for us sensibly to enforce the law in any meaningful way. The fact that the media in all their forms—particularly, in this context, the electronic media—publish the identity of an accused person has led to the Bill being brought to the House today. That is also what gives rise to one of the Bill's potential flaws.

Mr Spencer: May I draw my hon. Friend's attention to the weight that the public attach to a news report? If that report is on Sky News or the BBC, or in a newspaper, the general public will attach great merit to it and expect it to have been researched. However, if it has been posted on a social networking site by, say, my brother's uncle's mate's niece, it will simply be viewed as gossip and will have no impact on someone's ability to get a job in the future.

Mr Nuttall: The initial release of such information could well come from someone who had seen their neighbour being taken away by the police in the early hours of the morning, and who had used a social media platform such as Twitter to tweet the news to their followers. Would their friends think, "This information has come from Fred, and I don't believe it"? I suspect that their friends would think, "Yes, I do believe that." One of those friends could be a journalist at Sky, who might think, "This has come from Fred, so it must be true," and, within minutes, the information could be on Sky News. I am not sure that my hon. Friend's scenario works.

Philip Davies: I tend to agree. Does my hon. Friend accept that when certain websites about which we know very little are competing with the more respectable end of the media and the press to report a particular case, people might choose to say, "I believe the stuff that's on the BBC and in the newspaper that I read, rather than the stuff on that website"? If, however, there were no information about the case on the BBC or in the respectable press, the public would not be able to differentiate in that way, and they would have to accept that what they were reading on the website was true.

Mr Nuttall: My hon. Friend makes a good point. That raises the question of whether the BBC and the other outlets would then have to release a story denying what was on that website. These issues would all arise from the operation of the Bill. I referred to the case of someone who tweets that their next-door neighbour was taken away in the early hours by the police. Would that be caught by the Bill? I am not sure. The Bill has been released without explanatory notes, so I apologise if I refer to matters that might have been clarified in them.

How far must publication go before an offence is committed? Does one tweet count as publication, or is it only published when a neighbour passes it on or when the tweet is picked up by mainstream media? It is a minefield.

Anna Soubry: With great respect to my hon. Friend, one tweet would not amount to publication. Many statutes prohibit the publication, notably, of a child's name. There is no difficulty with somebody tweeting a name. However, there is profound difference in publication. Such details can be thrashed out in Committee, but should not impede the Bill's progress.

Mr Nuttall: I raise such matters for the very reason that they could be considered in Committee, and I am sure that they will be.

As the House will be aware, before an individual can be charged with a criminal offence, the police must consider whether there is a reasonable prospect of securing a conviction. That is far less onerous than having to decide on the civil law standard of balance of probabilities, or having to apply the test of "beyond all reasonable doubt" that will ultimately be applied by the court and, in more serious cases, by a jury. That raises the question of whether the Bill goes far enough. My hon. Friend the Member for Shipley (Philip Davies) referred to the fact that amending the Contempt of Court Act might be another way of dealing with the matter. In the case of persons who are arrested and subsequently charged, but for whatever reason the charges are dropped—whether because of new evidence coming to light, some other person confessing to the crime, or the prosecuting authorities changing their minds about the prospects of success—their identity would already have been revealed, so they would not benefit from the operation of the Bill.

We should ask ourselves this question: in this modern era, is it possible to afford any individual the protection that the Bill seeks to provide? Within minutes, any article published on an individual private website can spread to millions around the country and indeed the globe. I am conscious of the intervention made by my hon. Friend the Member for Broxtowe, and if one tweet does not constitute publication, how many tweets would do so? As with the spreading of rumour, that is the problem. Such people will have no knowledge of any media code of conduct or concern about the concept of genuine public interest, which we are discussing. They will be concerned not about legality, but about simply passing on an interesting titbit of information that has come their way. It is the modern-day equivalent of a good gossip over the garden fence.

As all Members will be aware, a rumour that has started to circulate is very difficult to stop, and the damage is already done. An allegation might damage a person's reputation for the rest of their life, especially if it relates to child abuse or a crime of a sexual nature. For anyone who wishes to protect the identity of an arrested person, the challenge is how to prevent an individual who is in possession of the information about the suspect's identity from passing on that information. The Bill would deal with publication but not subsequent dissemination, especially by social networks. In essence, it is virtually impossible for the House to pass effective legislation against the spreading of rumour. I doubt that it would ever have been possible, even in the past when rumours would have spread mainly, if not exclusively, by word of mouth. With the prevalence of the internet and the almost universal use of mobile electronic communication devices, such legislation would be virtually unworkable.

Clause 1 states:

"Where a person is arrested for an offence then neither their name nor address, nor any still or moving picture, of that person shall—

(a) be published in England and Wales in any publication available to the public in written, electronic or any other form; or

(b) be included in a relevant programme for reception in England and Wales".

Immediately, we see another of the potential pitfalls and problems with the Bill, which can extend only to England and Wales. Consequently, we could have the bizarre situation in which a newspaper can publish in its Scottish or Northern Irish edition the full details and photograph of the arrested person, but not in England and Wales.

Anna Soubry: That is because Scotland continues, rightly, to have its own system of justice. The provision has been lifted from all the other Acts that deal with such issues. Exactly the same argument could be made about the Contempt of Court Act, which works extremely well to ensure that once somebody is arrested there is no prejudicial reporting. With great respect to my hon. Friend, the issue that he understandably raises is a red herring.

Mr Nuttall: I am not sure whether my hon. Friend is saying that the law in Scotland would prevent such publication. Will she come back to me on that?

Anna Soubry: My point is that we have two co-existing systems of law that work well together. We have a Contempt of Court Act that prohibits prejudicial material being printed and published in this country, and it does not have an impact on Scotland in relation to any publications up there that prevent someone from having a fair trial. We already have laws that protect individuals after they have been charged, that ensure non-prejudicial trials and so on. All the Bill would do is extend that protection to people who are arrested.

Mr Nuttall: I accept that, but I still think that the Bill leaves open the possibility that media outlets will publish information outside England and Wales, although perhaps not in Scotland or Northern Ireland. There are international news agencies nowadays, and the Bill makes no reference to publication by foreign media outlets. It is fairly easy for anyone with access to the internet to access any foreign media publication. The identity of the person concerned might well be a secret to people in England and Wales, but billions of people around the planet would know exactly who that person was.

As well as the problem of how to control the worldwide media, another problem would almost certainly arise if the Bill were passed: that of piecemeal identification, which is apparently also known as "jigsaw identification". Clause 1 would not prohibit the publication of any information at all about the arrested person; it merely prohibits the prohibition of the person's name or address or

"any still or moving picture".

So what will happen? One newspaper will publish, perfectly legally, the information that the suspect is a male, thus promptly halving the number of possible suspects. A radio station will then broadcast the fact that, although it cannot broadcast any information, it knows that the suspect owns a dog. Another newspaper will publish the fact that although it, too, cannot reveal any information, it does know that he is a prize-winning daffodil grower. We can see where this is going. It is clear that, taken together, those pieces of information will narrow the field of identification to a point at which it is possible to identify the person concerned. We will know everything about that person's lifestyle, gender, age, hobbies and interests and even—possibly—workplace.

The whole of the protection afforded by clause 1 commences only when a person is arrested: in other words, when a police officer says to the suspect, "You do not have to say anything, but it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence." The clause provides no protection before that point.

My hon. Friend the Member for Broxtowe said earlier that nowadays, because of the use of the Police and Criminal Evidence Act 1984, the old phrase "helping police with their inquiries" is used less frequently than it once was, but I think she would agree that in those circumstances the Bill would not cover people who were "helping police with their inquiries", because they would not have been arrested. Anyone can, of course, choose to help the police with their inquiries, and if someone did so of his or her own free will, the Bill would offer no protection.

Clause 2 sets out the exceptions to the reporting restrictions specified in clause 1. As I said briefly earlier, my concern relates to paragraphs (c) and (d) of subsection (2), which refer to the ability of the person who has been arrested to make an application if

"it may lead to information that assists the arrested person"

or

"the conduct of the arrested person's defence at trial is likely to be substantially prejudiced if the direction is not given."

The direction referred to is that given by a Crown court judge under clause 2(1)

"that section 1 shall not apply to a person who has been arrested where satisfied that such a direction is—

(a) required to comply with the Human Rights Act 1998;

(b) in the interests of justice; or

(c) otherwise in the public interest."

It seems to me that it would be easier and, perhaps, better for the accused person if, rather than going down that route, he could simply sign a written statement to the effect that he was happy for clause 1 not to apply in his particular case. He could be afforded protection from some over-zealous and over-keen media outlet that wanted simply to push the piece of paper in front of him by requiring it to be witnessed by an independent legal adviser, who would have to certify that he had advised the accused person of the effect of giving up his rights under the Bill.

Clause 3 states:

"If any matter is published or included in a relevant programme in contravention of section 1, the following persons shall be guilty of a summary offence—

(a) in the case of publication in a newspaper or periodical, any proprietor, any editor and any publisher of the newspaper or periodical;

(b) in the case of publication in any other form, the person publishing the matter".

Therein lies a potential difficulty. Although "publication" is defined in clause 7, which deals with interpretation, "publisher" is not. I submit that there could be some difficulty in establishing the identity of the publisher involved, especially in the case of an internet publication. The question arises of whether an internet service provider or a domain host would be caught by the provisions. I accept that the answer to that question may well be found in clause 4, which states

"A defence is available to a person charged under section 3 where at the time of the alleged offence they were not aware, and neither suspected nor had reason to suspect, that the publication or programme in question was of, or included, the prohibited matter in question."

In clause 5, the Bill goes on to provide for criminal penalties. I think that my hon. Friend the Member for Broxtowe said that she had a general aversion to creating new criminal offences, so I wonder whether she has considered whether the problem might have been addressed with a civil procedure and damages, rather than by creating another criminal offence.

Anna Soubry: It is right that the man in Bristol, for example, can use the civil courts in relation to what has been printed about him, should he believe—and I think that there is a good argument—that he has been defamed,

[Anna Soubry]

and in due course he might receive damages. My argument, however, is that the damage has been done, so I am seeking to prevent publication in the first place. That is how we should cure the mischief, as we put it.

Mr Nuttall: According to clause 5, if someone is found guilty of an offence under clause 3, they are

"liable on conviction for a term not exceeding 6 months, or to a fine not exceeding the statutory maximum".

I am not sure what the statutory maximum is.

Anna Soubry: Six months.

Mr Nuttall: I do not know how much the maximum fine is.

Anna Soubry: I do not know off the top of my head the maximum fine in the magistrates court for a summary offence, but it will be in the range of thousands. I do not know what scale is used. We need the assistance of my hon. Friend the Member for South Swindon (Mr Buckland), who unfortunately is not in the Chamber at the moment.

Mr Nuttall: My hon. Friend will agree that a fine of that nature would probably not deter most international media outlets, but the threat of prison might do so.

Philip Davies: Does my hon. Friend not see great irony in the fact that, while we appear to be moving in the direction of letting lots of people out of prison, and allowing people to commit multiple burglaries and violent crimes without being sent to prison, the Bill could send a newspaper editor to prison simply for stating a fact?

Mr Nuttall: There is a risk that someone convicted under the measure could be sent to prison, as the Bill provides for that, and it is possible that it could happen to an editor. Clause 6 helpfully sets out exactly who might be affected, and applies

"if an offence under this Act is committed by a body corporate".

If

"the offence is proved to have been committed with the consent of connivance of—

(a) a senior officer of the body corporate, or

(b) a person purporting to act in such a capacity,

the senior officer or person (as well as the body corporate) is guilty of the offence and liable to be proceeded against and punished accordingly."

Clause 3(3) provides the relevant definitions:

"In this section—

'director', in relation to a body corporate whose affairs are managed by its members, means a member of the body corporate,

'senior officer', in relation to a body corporate, means a director, manager, secretary or other similar officer of the body corporate."

The term "manager" is rather vague, because there are lots of managers in an office, and we would not want all of them to be affected by the Bill. My hon. Friend the Member for Shipley is right that, theoretically, the editor of a publication could be imprisoned if their publication was found to have contravened its provisions.

Anna Soubry: My hon. Friend will be aware that a breach of the Contempt of Court Act 1981 can result in a maximum sentence of two years. The corporate bodies identified in my Bill are merely copies of what exists in other pieces of legislation without any difficulty, to make sure that when it is right and proper, the anonymity of certain people is maintained. I am sure that he will agree that it is not the Government's intention to release from prison people who have repeatedly committed violent offences or who have repeatedly committed offences of dwelling-house burglary.

Mr Nuttall: I do not want to stray from the debate into the general subject of the prison population. Suffice it to say that the Bill would, if enacted, create an additional offence—we can all agree on that. The basis of enforcement would rest on the threat of sending individuals to prison, so there is a theoretical possibility of the prison population increasing.

My argument so far has focused on the impact of the internet and its role in media coverage. The matter was considered by the Government last year, following the suggestion that anonymity should be provided in rape cases. The report issued in November 2010 stated that anonymity for those accused of rape has implications for media reporting. We know that under section 2(3) of the Contempt of Court Act, media coverage of active proceedings must not create a substantial risk of serious prejudice to the case by unduly influencing jurors.

Concerns are often raised about such influence in high profile cases, some of which have been mentioned, so I will not refer to them again. Legal judgments about whether media coverage amounts to such strict liability as contempt are usually based on what is called the fade factor—the idea that media reporting is less likely to affect the jurors, the further away it is from the trial. One of the ways that we could consider to right the perceived wrong is to reduce the fade factor, and give a definition in law to try to eliminate it as a factor to be taken into account in contempt cases.

The availability of rolling 24-hour news on demand presents new challenges to media coverage of criminal cases. When a jury is sworn in, the judge will often tell jurors not to look for information about their case on the internet, and will repeat at the end of each day that they are not to go on the internet and make inquiries into the case. Nevertheless, the internet exists, the explosion in its use is likely to continue, and therein lies the greatest difficulty in trying to enforce such a Bill. I shall now allow others to contribute to this important debate.

11.57 am

Robert Flello (Stoke-on-Trent South) (Lab): It is always a pleasure to see the Chairman of Ways and Means in the Chair.

I congratulate the hon. Member for Broxtowe (Anna Soubry) on introducing the Bill. I know all too well the pressures involved in choosing a suitable topic, and this Bill is worthy of the opportunity brought by being drawn in the ballot. I appreciate how much thought the hon. Lady has given to the matter. I am sure her heart sank when certain hon. Members entered the Chamber. The hon. Member for Christchurch (Mr Chope) will forgive me for saying that seeing him walk in is always an interesting indication.

Many Members have mentioned or alluded to the tragic Joanna Yeates case, which happened over Christmas, and the media's dreadful treatment of her landlord. The shameful way in which that man was portrayed in the press—from "weird-looking" to "strange", and with questions raised about his sexuality, his teaching practices and even his hairstyle—should embarrass and shame our media.

The phenomenon is not new. Countless other examples spring immediately to mind—for example, the speculation, which I believe we heard again this morning, about a well-known actor and television presenter back in 2003, which has done untold damage to his career, despite the fact that no charges have ever been brought, or the American press treatment of Richard Jewell as a suspect in the 1996 Olympic park bombing, although in fact he was a hero on the day who saved countless lives through his actions.

As I think everyone listening to the debate will know, on 17 December 2010 Joanna Yeates left her place of work and joined her colleagues in a Bristol pub for a drink. On 20 December, Avon and Somerset police launched their first appeal for information about Joanna's disappearance. It was around this time that the national media, perhaps because of the Christmas period, when there is generally considered to be little for the media to report, began to pay attention to the case. Over the next few days, it was given ever-increasing media attention, and more details emerged about Joanna's final movements.

A key part of the case became a pizza that Joanna was seen buying in Tesco Express, but of which there was no trace in her flat, and the police used the media to ask the public whether they had seen anything relating to this. Joanna's parents made a number of public appeals at this stage, believing that she had either gone missing or perhaps been abducted, and the media carried those appeals and contributed a huge amount to efforts to find Joanna safely. It is important to remember, as we discuss this Bill, that the media have traditionally played a huge role in such situations, and there are countless examples of missing people having been found as a result of information that has been obtained following appeals.

Tragically, on Christmas morning, a body was found in an area of north Somerset that was quickly confirmed to be that of Joanna. Over the next few days, the media concentrated on the reaction of the family and friends, before, on 29 December, the police interviewed Joanna's landlord. He advised that he saw her leaving the flat with two people on the night that she was murdered. But the next day, Avon and Somerset police confirmed that a 65-year-old man had been arrested on suspicion of murder, and it was rapidly reported that this was her landlord.

At this stage the media turned their attention to what can be described only as a detailed character assassination of this man. Papers revelled in the nickname used by students at the college where he formerly taught, and a particular tabloid—I will not mention which one, but I think it will become apparent—ran a story entitled "Weird, posh, lewd, creepy", in which it described him as "weird-looking" and ran quotes from a number of former pupils in which the overriding comment seemed intent on painting a very negative picture of this man. This continued over the following few days as police obtained further time to question the gentleman in question, and more of his former acquaintances came forward with stories about his apparently odd behaviour.

On new year's day, this man was released on bail, at which point the tone of the stories changed. He was no longer weird or strange, with the newspaper in question now preferring to describe him as "wild-haired eccentric", and most attention in the article reporting this being paid to comments from his aunt and former colleagues who supported him, expressing their view that they would never think him capable of such a crime.

Anna Soubry: I am very grateful for the exceptionally helpful comments that have been made thus far by the hon. Gentleman. Does he agree that at the point when this gentleman was arrested and there was a media feeding frenzy attacking his character, it would be fair to say that there must have been women in Bristol who concluded that the police had him and that therefore they were safe? If events are proved right, women were effectively made more vulnerable in the mistaken belief that the attacker was no longer on the loose.

Robert Flello: I fully understand what the hon. Lady says, and I have a great deal of sympathy for her view. However, if the media had simply published the name and address of the individual concerned, some people might still have drawn that conclusion. The problem comes from the vilification rather than the simple reporting. There is a lot of merit in what she says, but there is also an alternative view on it.

It is safe to say that the now positive comments coming from the media had been mentioned in all but the briefest of ways in articles in the previous days, and the media's fixation on the landlord did not lead to him becoming any less strange or weird in their eyes, but the tone of their reporting changed markedly once he was released on bail. It can be assumed only that the papers concerned considered such information to be important only while he was being treated as a murder suspect. This will become more relevant later in my speech when I refer to the fact that the media are required by the Contempt of Court Act 1981 to make no speculation about an individual's guilt and avoid comments that might interfere with the course of justice.

The hon. Lady rightly made the point that the media cannot be relied upon to police themselves. The sad fact is that stories such as that of the man in Bristol sell papers and keep people tuned into 24-hour news channels. I appreciate what she has said about it being incumbent on all of us not to buy those newspapers or watch those TV programmes, but I suspect that, unfortunately, the vast majority of us have that failing in our character that makes us interested in such cases. It is hardly surprising that there is a race between news outlets to uncover the most outrageous and startling rumours about an individual, to the extent that having blue hair or looking slightly eccentric suddenly become an indication of criminal activity.

With the costs and difficulties of bringing a case of libel or defamation before the courts, which are often perceived as a barrier, there is little reason for media outlets to temper their vitriol and innuendo. The Bill has great benefit, therefore, because it at least explores a possible remedy. At face value, it could address precisely the problems raised and protect individuals such as the man in Bristol.

[Robert Flello]

The problem is that it is unfair to portray the entire media as simply feeding on such cases. There are countless examples of the media helping the police hugely by providing details of an arrested individual. For example, after an individual has been brought to the attention of the public, other victims have been known to come forward and either reveal more details about the crime under investigation or show that the crimes were more extensive than first thought.

Perhaps the most high-profile recent case in which media coverage has had that effect is that of John Worboys, the serial rapist, as the true extent of his crimes was known only after the police made an appeal and encouraged the media's involvement. The case is well known. Mr Worboys was a licensed London taxi driver who was given an indefinite sentence in April 2009 on 19 charges of drugging and sexually assaulting women. He would pick them up in the centre of London or Bournemouth in the early hours of the morning and targeted victims who looked as though they had been drinking. He would then rape or sexually assault them. On waking, many victims could not remember the events.

In the years leading up to Mr Worboys's arrest, 14 women notified the police that they had been sexually assaulted in taxis, but no link was ever made. He had previously been arrested and released in July 2007, allowing him time to attack many more women. At the time of his conviction, detectives suspected Worboys of being responsible for 83 horrific crimes. Although it was not the coverage of his arrest in particular that led to huge numbers of women coming forward, it was the efforts of the police and media following his conviction that led to the number of women that police suspect were attacked by Worboys rising to more than 100. That would make Mr Worboys possibly the most prolific sex offender in British history.

The purpose of mentioning that case is to highlight the benefits to victims of identifying an individual who has been arrested. Women who had perhaps lost hope of ever getting justice following their experience at the hands of people such as Worboys were able to face their attacker and could at least achieve some closure. We must always have in mind the victims of crime when discussing measures such as this. We, as parliamentarians, cannot pass a law that would impact on those who commit crimes without giving a great deal of thought, indeed probably more thought, to those who are subject to those crimes.

Perhaps unsurprisingly, research suggests that victims of rape and sexual abuse require more support than victims of other crimes, and people arrested for such crimes seem particularly likely to be subject to the kind of media attention that we are discussing. Therefore, we need to be particularly careful during this debate. I fear that there is not enough mention of the victims during discussions of the Bill, both today and in discussions in the wider media. I would have liked to hear more reaction from victims groups, which are in a much stronger position to provide evidence on how the matter is viewed by the people who suffer the crimes.

Philip Davies: The hon. Gentleman said that he would have liked to hear the views of victims groups, and I commend the tone of his speech so far. Is he aware that Victim Support's conclusion is that the Bill, although well intentioned, is ill conceived?

Robert Flello: Yes, indeed. The widespread view is that the Bill is well intentioned, but, as I hope to tease out from the rest of my speech, as hon. Members have already said and as comments to come will show, either there are other ways of dealing with the matter or further work is needed.

I can see the arguments from both sides. I can see that for the victim of a crime, seeing their attacker or someone accused of being their attacker on the front page of a newspaper or in other news coverage would undoubtedly be painful. I can see also, as in the John Worboys case, that it would provide an opportunity for a victim to achieve some closure and make police fully aware of the extent of an individual's crimes.

Anna Soubry: None of the women whom John Worboys assaulted and attacked knew his name. They came forward because there was publicity about his modus operandi, not because of his name. That is a big flaw in the argument, and it occurred last year in the debate about anonymity for people accused of rape. The victims came forward because they knew a taxi driver who operated in that criminal way had been arrested by the police, but it is a big mistake to put that argument forward as a reason for naming somebody who has been arrested.

Robert Flello: I understand where the hon. Lady is coming from, but I am trying to make the important point that the media have a significant role. The publication of an individual's name or face, or a detailed description of the circumstances in which they operate, can lead to more people coming forward, but we do not want to see vitriol, innuendo and shameful behaviour. That is the nub of what I believe the hon. Lady's Bill tries to address.

Equally, I can see that, for the family of someone who has been murdered or subjected to some other horrendous crime, seeing the suspect's identity revealed and feeling that the police are making strides in bringing the killer to justice could come as a great relief. Some people, however, might find it painful to see details of a case spread across the papers.

In an ideal world, perhaps the victim or their family could play a greater role in deciding whether an individual's identity is revealed. I suspect the hon. Lady suggests such a situation in the part of her Bill that deals with the grounds for revoking anonymity, but in practice it is likely to be far too complicated to provide for affording as much importance to the views of the victim or their family as many of us would want. Indeed, the circumstances would be so emotive and distressing that they would undoubtedly have an impact on the family.

Anna Soubry *rose—*

Robert Flello: I can see the hon. Lady leaping to her feet on that point.

Anna Soubry: With great respect, I think we are moving into really difficult territory, because Joanna Yeates's family did not know whether the man who had been arrested was the person who had murdered their

daughter or fiancée, so in those circumstances it would be fallacious to argue that the victim's family should be involved, in any way, in the publication of an arrested person's name.

Robert Flello: The point, however, is that we are looking at proposed legislation born of several high-profile cases, and trying to find a way of addressing how the victim and their family feel and the impact of any publication are important elements in the situation. It is an incredibly complicated situation, however, and that is the point.

Another example is that of Harold Shipman, because it was only when other cases and family members of other deceased individuals came forward with their experiences that the extent of the horrific crimes committed was truly known. As the promoter of the Bill has stated about her efforts, I, too, am not trying to bash the media out of hand or to lay the blame for the situation solely at their door. As I develop my speech, I shall try to deal with how the current situation has come about, but the point is that, without the media, public knowledge of the justice system would be much worse. As well as accepting that there are many unsatisfactory aspects, we should be thankful for their coverage of court proceedings. I am pleased, therefore, that the hon. Lady's Bill addresses this matter in clause 2, where powers are in place for certain individuals to disapply the restriction on the naming of an individual if it were felt that the reporting would be

"in the interests of justice"

or "in the public interest". The clause goes on to give some examples of where the former might be applied, such as when it

"may lead to additional complainants coming forward"

or to the provision of

"information that assists the investigation of the offence".

My discomfort results from the fact that the provision arguably makes the system more complex and puts the decision in the hands of a judge, and therefore relies on the view of the judge being correct. It may not be immediately apparent that the publication of a name would lead to further complainants coming forward. There can be no tried and trusted method of knowing in precisely which cases further crimes are likely to have been committed, but rather only a suspicion on the part of the investigating officers.

There is therefore a discussion to be had about whether it is better that the names of all arrested persons are reported in the knowledge that, in some cases, further information or complainants would come forward, or better that the names of no arrested persons are reported and we have faith that opportunities will not be missed by judges. I think that the hon. Lady would agree—I am sure that she will leap to her feet if she does not—that this is not really about anonymity but about the vitriol and appalling behaviour of some parts of the media.

Mr Buckland: That is a very important point. Although the title of the Bill uses the word "Anonymity", it is really a "Reporting Restrictions" Bill, which as the hon. Gentleman has pointed out, is a different thing. We should emphasise that point, because that was the mistake that we got into in the debate about rape; it should always have been about reporting restrictions.

Robert Flello: The hon. Gentleman makes the point very well, and I will return to it shortly.

I should like to touch on other concerns that I have about the Bill, some of which relate to whether it is necessary and some to how it would work in practice. First, it is worth mentioning again the current legislation relating to contempt of court. The Contempt of Court Act 1981 is the most important piece of legislation in this field and, if used properly, it should be sufficient to deal with the problems that the Bill seeks to address. Section 2(2) of the Act states that the press are prohibited from the reporting of information which

"creates a substantial risk that the course of justice in the proceedings in question will be seriously impeded or prejudiced".

In the Joanna Yeates case, the Bristol man would almost certainly not have had a fair trial if he had indeed been guilty of the offences. Therefore, use of the 1981 Act should have been looked at more closely.

Of course, the simple reporting of an individual's arrest would not impede or prejudice an investigation. I suspect that few Members have a strong objection to the simple reporting of an arrested person's name; we have pretty much heard agreement on that today. Indeed, this reporting is crucial to the rule that administration of justice should take place in the public eye. Simple reporting of a name ensures that speculation is avoided and protects other individuals. The problem has arisen from the fact that the simple reporting of a name has grown and mutated, in a ridiculous and appalling way, into in-depth investigations about an individual's past jobs, hobbies and actions.

The media are expected to refrain from reporting on a suspected person's previous convictions or making any sort of speculative comment about an individual's guilt or otherwise. I would argue that in the Bristol case, and in others, a number of press outlets were indeed guilty of precisely that—effectively carrying out their own investigations into the case and speculating as to why the person would carry out this crime with only the merest of efforts to mention that no charges had been laid. This mutation has been allowed to happen because of the failure of various bodies, including Ministers, to ensure that the law is implemented properly.

In the Bristol case, I am afraid to say that the reaction of the Attorney-General was not what I would have expected of the right hon. and learned Gentleman. His so-called warning to newspaper editors consisted of little more than the gentlest of reminders of the law as it stands and the importance of nothing taking place that might prejudice a fair trial. Indeed, according to reports of this "warning", the Attorney-General was very careful not to address precisely the coverage of the Joanna Yeates case. I dare say that had the Attorney-General taken a stronger view and warned media outlets that some of the reporting was at great risk of being in contempt—I think that hon. Members agree that it probably was in contempt—a slightly more measured approach might have been taken.

Anna Soubry: I would not criticise the Attorney-General. That is not just because I support him as a Government member, but because the Contempt of Court Act simply does not address this problem in the way we all want it to be addressed. I am grateful that hon. Members agree about the way it should be addressed. The fault is not

[Anna Soubry]

with the Attorney-General but with the Act, whether because the test is too high or because it does not address the pre-charge situation.

Robert Flello: We might just have to disagree on that point. I think that a gentle warning was insufficient, and that the Contempt of Court Act could have applied. Perhaps we will discuss that on another occasion. I would feel some trepidation about enacting further legislation before we are sure whether the existing legislation could be made to work in the way we would like the Bill before us to work.

My second major concern is that although the Bill would address concerns with the print and TV media, it would not address the largest problem—the internet. Hon. Members have commented on this point at length. I appreciate that the hon. Lady has included the prohibition of electronic publishing and transmission in the Bill, but it is almost impossible to police these things in cyberspace. It is not impossible, but under current legislation it is all but impossible. It is all very well individuals' identities being kept secret from the traditional media, but it would be almost impossible to stop rumour and speculation revealing those identities. Much comment has been made about Twitter, and I know that Mr Speaker has his own views on Twitter in this Chamber. However, many people believe that if something has been tweeted, it is fact. It is a very public method of disseminating information. It is not like a conversation over the garden fence, as has been said; it is more like a conversation over a garden fence in the middle of a football field on a crowded Saturday afternoon using megaphones.

In my view, that is the strongest argument against the Bill. Although the media may not have covered themselves in glory in reporting the arrest of the gentleman in Bristol, if an individual's identity will be known anyway, I would much rather place my faith in traditional media than in the self-policed world of internet blogs and news sites, where there are countless examples of uninformed comment and speculation. To deny the traditional media the ability to report an arrest when the identity of the individual is well known on the internet would be deeply unfair and would risk even worse coverage than we have seen in the past few months. If we cannot find a way to make the Bill address the problems of the internet, it might be almost impossible to implement. No good comes from passing a Bill that solves one problem while creating an arguably more difficult one.

If we are to pass the Bill on the basis that we do not feel it is fair for someone to be identified when they are simply being questioned by police, should we not also consider the fundamental issue that someone is innocent until proven guilty? That point has been made by a couple of hon. Members. Just as much damage can be done to a person's reputation if they are vilified when charged but subsequently found not guilty as if they are arrested and then not charged. If the Bill leads us down the road towards anonymity throughout the legal process, which would be almost impossible to achieve and which flies in the face of justice being seen to be done, that might be a dangerous move.

Finally, I am interested to know what discussions the hon. Lady has had about the Bill with Ministers in the Department for Culture, Media and Sport. She may wish to intervene on that point.

Anna Soubry *indicated dissent.*

Robert Flello: Although the Bill is mainly of concern to the Ministry of Justice, much of the day-to-day regulation of what we see on our screens and in our newspapers is done by the DCMS. There is a strong argument that were Ofcom or, heaven forbid, the Press Complaints Commission to take a more proactive approach to such issues, perhaps citing the Contempt of Court Act where necessary, we might not have to make a law such as this. That would warrant further investigation were the Bill to pass to Committee stage.

Although at face value it appears simple to change the law, a multitude of issues complicate the matter and turn it into a difficult question that affects a huge number of areas. We must balance the view that the most important thing is that justice is seen to be done with the view that we must ensure that everything possible is done to ensure that justice can be done. We must balance the idea that the press should be free to report as they see fit with the fact that an individual should be considered innocent until proven guilty and has a right to be able to continue with their life unmolested if police inquiries prove that they are not linked to the crime and no charges are made. We must also consider the fact that although we might not like the way in which the media have reported some of the more high-profile cases in recent years, there are also many examples of their having made a huge contribution to justice being done and criminals being brought to justice.

The Bill addresses a crucial problem and a particularly unsavoury aspect of the way in which crime is reported in our press. However, I feel that as it stands, it does not address the problem as thoroughly as I would like, and it would certainly need significantly more work to become a successful law. Ideally, I should like the themes of the Bill to be incorporated into a wider Bill that also addressed a number of other points on the subject. I say to the Minister that perhaps that should be considered as part of the forthcoming libel and defamation Bill.

If the Bill receives its Second Reading today, I hope it will receive more detailed scrutiny in Committee, and I hope that we will ultimately be left with a Bill that satisfies and respects the rights of the victim, the accused and our law enforcement bodies alike.

12.26 pm

Philip Davies (Shipley) (Con): It is a pleasure to follow the hon. Member for Stoke-on-Trent South (Robert Flello), and I find myself in the unusual position—no doubt he will find it an uncomfortable position—of agreeing with an awful lot of what he said.

It is only fair that I start by congratulating my hon. Friend the Member for Broxtowe (Anna Soubry) on introducing the Bill. Although I do not particularly agree with it and take issue with many parts of it, I wish to make two points at the outset. First, she has touched on an issue of concern to a great number of people around the country. I am sure that a lot of people in both my constituency and hers accept that there is a problem and that something should be done. Secondly, I was incredibly impressed by her speech and thought that she made her case incredibly well. I am sure that many people listening to it who were neutral beforehand were persuaded of the merits of the Bill simply by the

quality of her speech and argument. Unfortunately, I was not persuaded of its merits, but that probably reflects more on me than on her.

The main point on which I wish to focus is the importance of having a free press, free media and open justice. The hon. Gentleman touched on that by saying that although the Bill was considered a Ministry of Justice matter, many of the issues that it covered related to the DCMS. He was right, because an awful lot of the debate that we have heard today has been about the activities of the media as opposed to the activity of the law. As a member of the Select Committee on Culture, Media and Sport, I feel strongly about that, and I commend to every hon. Member who is here today the report that the Committee published only last February, "Press standards, privacy and libel". We looked in great detail at people's concerns about the standards of the press.

The press are clearly not flawless—none of us is. We all make mistakes. I probably make dozens every day, some of which I do not even know about. The press are no different, and we should not expect them never to make mistakes. They will acknowledge that from time to time they get things wrong. Given the vast number of matters that they report on each day, and the vast number of articles in every newspaper, it would be extraordinary if they did not make mistakes from time to time.

However, whatever flaws there may be in the media, and whatever inconveniences those flaws occasionally cause us in politics, the principle of a free press and media in this country, operated by self-regulation rather than statutory control, is good not just for us but for the country at large. We should be wary of any attempt to interfere with that free press and media. One of the media's great roles is to act as an essential check and balance on the state and its power. We would be in a far worse position if the media were increasingly restricted.

I made the point, to which I hope to revert in more detail, that I foresee a dangerous situation of trying to go down a route whereby the police could go around arresting people, and nobody would know about it because the media would be unable to report it. I do not know what type of country has a system under which the police can go around arresting people and it cannot be reported by the media, but it is certainly not the sort of country I want to live in.

Anna Soubry: Nobody will stop the police reporting that people have been arrested. The Bill's intention is to prevent people who have been arrested from being named. Does not my hon. Friend agree that that is a profound difference?

Philip Davies: No, I do not agree. I do not want the decision about whether to name people who have been arrested to be left in the hands of the police. I like the fact that the media are out there, investigating what the police are doing and holding them to account and in check to ensure that their power is not being abused. The media are an essential control on the state.

Mr Buckland: The point that my hon. Friend the Member for Broxtowe (Anna Soubry) makes is that we want to revert to the position that existed some years ago, whereby the press said, "A local man has been arrested," or, "A local man is helping the police with their inquiries," rather than going into the further detail that causes the mischief about which we are concerned.

Philip Davies: I am not a fan of restricting the information that people can give when it comprises simple fact. The hon. Member for Stoke-on-Trent South made the point particularly well. These things normally work through reports such as "A 25-year-old man from Hastings has been arrested for a crime." I do not understand how that damages the judicial system. In many respects, the Bill is a solution looking for a problem because, in the vast majority of cases, crimes tend to be reported in the way in which my hon. Friend wants.

Mr David Davis (Haltemprice and Howden) (Con): My hon. Friend probably acknowledges that I yield to nobody, not even him, in defending people's rights against unlawful arrest. His case would stand up better if what was being argued was for no naming whatsoever rather than naming at the point of charge. Since we have limitations on detention without charge—about which I am quite expert—my hon. Friend's case would fall after two or three days.

Philip Davies: My right hon. Friend knows that no one in the House admires him more than I do, although we do not always agree. Indeed, many people have said that he did not become leader of the party because my support for him was disclosed far too early. There is some truth in the assertion that his candidacy went downhill from the very moment that I declared my support for him. The fact that he still talks to me is testimony to his courtesy.

However, if it is damaging to someone who is arrested that their name is mentioned, because they can be vilified through a "no smoke without fire" approach, that applies not only to them, but to those who are charged with an offence, those who go to court and those who are acquitted. I am sure that my right hon. Friend would acknowledge that, in many cases, people go to court and are acquitted, and local people still say, "He must have been up to something; they wouldn't have arrested him for no reason." In dealing with the "no smoke without fire" issue and in arguing that people should not be vilified just because they have been arrested, the ultimate logic of the Bill is that we should not name anybody charged with something until they have been convicted. My right hon. Friend might consider that desirable, and it is a perfectly respectable view to hold—although I do not know whether he does hold it—but it is not one I agree with. It would not be a positive, but a negative development.

The thing that I most wish to defend is not just the freedom of the press—although that is important—but the important principle of open justice in this country. A Government research paper last November entitled, "Providing anonymity to those accused of rape: an assessment of evidence", helpfully included the reasons why an open justice principle is so important to this country. It is important because it

"helps ensure that trials are properly conducted",

it

"puts pressure on witnesses to tell the truth",

and it

"can result in new witnesses coming forward",

[Philip Davies]

which is an important point made by the hon. Member for Stoke-on-Trent South. It also

"provides public scrutiny of the trial process",

which is also an important factor, and

"maintains public confidence in the administration of justice".

I am a big beliéver that the more information the public know the better. Finally and crucially, it

"reduces the likelihood of inaccurate and uninformed comment about proceedings".

That final point is one of the most crucial. Following a high-profile case, no matter what laws the House decides to pass, we cannot prevent people from speculating on what has happened, on who was involved, on who might be guilty or on who they think it is. I am sure it happens in many households around the country following a crime; I am sure that every household has its resident Inspector Clouseau listing who they think is guilty—"It must be somebody they knew," "It's probably a relative," and all that kind of thing. That is not going to stop, no matter how many laws we pass.

Mr Buckland: I am pondering whether my hon. Friend meant Clouseau or Poirot—but it does not matter. He is right to mention open justice, but I think that the document from which he takes those important points was a Judicial Studies Board document on reporting restrictions in the criminal courts and relates only to proceedings in court. However, the Bill deals with the period between arrest and charge. It deals with a stage before that and covers a different issue.

Philip Davies: My hon. Friend is absolutely right. However, my point is that these principles are just as important at this stage of the process as they are at the court stage. I personally do not see any great distinction; I do not see why these principles should not apply at this stage too.

It is inevitable that this sort of frenzy will follow a high-profile case. However, it can be more damaging for certain individuals to be the victim of rumour and innuendo in their local community based on no facts whatsoever; and it can be more damaging to have their character unfairly vilified because nobody actually knows what is going on. A simple factual statement by the police in the media stating that a certain individual has been arrested might not be liked by the particular individual, but it might come as a great relief to the lots of other people in the local community suffering from smear and innuendo—"Was it them who was arrested?", "Have they been arrested?", "Why haven't they been arrested?" and so on. In more cases than not, the media help rather than hinder the progression of cases. The fact that the media can put information in the public domain does more good than harm.

As a matter of principle, I do not think that people who have been arrested by the police or other authorities should be anonymous. That is a vital principle of open justice. As I said, it is also in the interest of the arrested person. That principle has been gained over many years. The opposite principle is much more likely to be seen in a totalitarian regime, where people are taken from the streets, arrested and never seen again, without anybody ever knowing what happened to them in the first place. I do not want to see the worst aspects of that kind of regime introduced in this country.

That principle is particularly important at a time of high interest in crime and fear of crime. I cannot speak for my hon. Friends, but whenever I do surveys across my constituency and I ask people what their biggest concerns are, whatever else happens to be in the news, the fear of crime tends to be at the top of the list. Against that backdrop, it would be extraordinary for the public not to have a right to know who might have been arrested for certain crimes in their area. As the hon. Member for Stoke-on-Trent South said, the naming of suspects can also enable further evidence to be gathered to help the administration of justice, by encouraging people to bring it forward.

My hon. Friend the Member for Broxtowe made the perfectly fair point that her Bill would allow people to appeal to a court to provide for an exception to the reporting restrictions. I certainly welcome a step in that direction, and some people may well be satisfied with that safeguard, but I do not see how it will work in practice. The Government have just gone through a process of closing down a number of courts around the country. The capacity of our courts system will be less than it is currently. At a time when we are closing courts down, I do not see why we would want to introduce legislation that would only have the effect of clogging up the courts, as individuals, local communities, the police or the media went to court to ask for exceptions to the reporting restrictions.

My hon. Friend might have mentioned this when I was not here—I apologise profusely for missing the first part of her speech—but I did not hear her say how many extra cases she thought would be heard by the courts, as people applied for exceptions to the reporting restrictions. I do not know whether she or the Government have made any such assessment, but if the Minister has done so, it would be particularly interesting to know what his assessment is, because I fear the courts being clogged up with people asking for reporting restrictions to be lifted. Such applications may or may not be granted. However, if very many applications were granted, that would indicate that the law is an ass and it would need to be changed anyway, and if not very many were granted, I would argue that that would amount to an unfair restriction on the public's right to know and the media's freedom of speech.

It would also be interesting to know the possible costs of running such cases. My hon. Friend the Member for South Swindon (Mr Buckland) said that newspapers could go and represent themselves, and that there would not be a great legal bill at the end of such cases. However, I am slightly cynical about these things, because whatever happens, there always tends to be a big legal bill at the end of such cases. However, even if there is no great bill to the newspaper, there will be a cost to the Government of cases being heard in court and the courts system being clogged up. I would be interested to know what that cost would be, who would meet it and whether anyone applying for an exemption to the restrictions would be expected to contribute. If they were expected to contribute, it is quite extraordinary to imagine that people would volunteer to pay such a cost on a regular basis, especially given what we have heard about the dire financial straits of many newspaper groups, and particularly of local newspapers. Therefore, even though there is a safeguard, in practice I do not see how it would be fashioned.

Mr Christopher Chope (Christchurch) (Con): My hon. Friend is making a good point. Does he share my concern that if someone is arrested and they wish their identity to be revealed, we would be interposing an enormous bureaucratic burden on them before it could be revealed?

Philip Davies: My hon. Friend is absolutely right. I do not know whether it is envisaged that reporting restrictions would be lifted in most cases. If so, would it not be more sensible to have a legal framework in which there is a presumption that everything could be published and in which people could apply for their details not to be published in exceptional circumstances? That would be a more sensible way forward than doing it the other way round. The proportions in the Bill are the wrong way round. My hon. Friend the Member for Broxtowe might be right to say that some cases involve particular issues, but it is those cases that should be treated as the exception, rather than the vast majority that take place without incident. The Minister will know the figures better than I do, but let us think about the number of people who are arrested in this country every year. How many of those cases give rise to concern? It seems completely disproportionate to make a presumption that reporting restrictions should apply in all cases and that people would need to apply for an exemption. All the evidence suggests that it should be the other way round.

Mr Buckland: My hon. Friend is making some very fair points in his practical analysis of the matter. Further to the point raised by my hon. Friend the Member for Christchurch (Mr Chope), may I suggest that the Bill could be amended to allow for the arrested person to give their consent to the release of their details? They could sign a consent form or give their consent through a solicitor at the police station for the publication of their name in the newspapers or on the internet. That would be a practical solution.

Philip Davies: I am grateful to my hon. Friend for his suggestion. That would certainly make the Bill better than it is now, but I am not entirely sure that it would totally address my concerns. I shall certainly take his intervention in the spirit in which it was intended, however, because his suggestion would be a helpful step in the right direction.

I want to talk about the effect that a blanket restriction would have on local papers. National papers cover all sorts of gossip and showbiz, but local papers are all about providing information on issues of massive importance in the local area. If a massive event had taken place in an area, attracting a great deal of local interest, the local paper would be at a huge disadvantage, compared with the websites that my hon. Friend the Member for Bury North (Mr Nuttall) mentioned, if it could not publish all the information that the public needed. Such a restriction would certainly not prevent all the rumour and innuendo from being published on the internet, perhaps on websites in other countries and all sorts of different backdrops. It would put local papers at a huge disadvantage if people in the local community could not find information in the paper that was readily available from other sources.

Not being able to name an arrested person would place a huge restriction on anything being reported about a case, because there could be a danger of inadvertently identifying the person by publishing other information. There could therefore be a danger of not reporting crimes that people ought to know about, and that would previously have attracted huge media interest. Such restrictions could have a "chilling" effect on local newspapers. They might not actually fall foul of the provisions in the Bill, but their fear of so doing could have a "chilling" effect that would prevent genuine informative reporting from taking place. That could force local communities to get their information from other sources. It would be incredibly sad if we were inadvertently to put another nail into the coffin of local newspapers, but I fear that that could happen.

I again commend to the House the Select Committee's report on press standards, privacy and libel, and our other report on the future of local media, which will give hon. Members a feel for the dire straits that many of the regional and local media are now in. We should be very wary of doing anything that could have a negative impact on them.

My hon. Friend the Member for Bury North made an important point about the rules applying only to England and Wales and the effect on media in other countries, especially in the United Kingdom, and I am not sure whether his exchange with my hon. Friend the Member for Broxtowe on the matter was resolved satisfactorily. How would reports in newspapers in Scotland and Scottish editions be tied in? As the laws apply only to England and Wales, *The Scotsman* might feel emboldened to print the name of somebody who had been arrested for a high-profile crime in England that was newsworthy in Scotland. That would be an extraordinary situation, given that we live in the United Kingdom.

The fact that many Scottish editions of papers are sold in England is an added complication. *The Scotsman* is also sold in London, as many people here want to buy it. Is the market for which that paper was intended the key factor? Would the law be breached by a newspaper that was intended for a Scottish market but that had somehow found its way into England? Would there be a due diligence defence? The Bill is unclear on that. We might end up with a strange anomaly whereby information that people are not allowed to know in England is available through print or broadcast media in Scotland. There is neither rhyme nor reason to such circulation being legitimate in Scotland, but not in England.

Anna Soubry: The Contempt of Court Act prohibits any publication that could prejudice a fair trial in current court proceedings. Therefore, the press in Scotland do not print anything that could fall foul of that Act, as the publication concerned might be sold or made available in England and Wales. With great respect to my hon. Friend, he is putting a red herring into the pond.

Philip Davies: The hon. Lady seems to be arguing for the Government to change the Contempt of Court Act. If so, she should say that. I do not know whether the Minister would be receptive. However, we are discussing not that, but whether to introduce a new piece of legislation, which is entitled to be seen in isolation. She might know how matters will be interpreted by the courts, in which case she is in a better position than I am: I never cease to be amazed by how the courts interpret certain pieces of legislation.

Mr Chope: Does my hon. Friend know whether the Contempt of Court Act applies throughout the United Kingdom? Even if it does, Scotland has a different system, whereby the Advocate-General for Scotland is responsible for enforcing the Act there, and the Attorney-General is responsible for enforcing the Act here. There is already that distinction.

Philip Davies: My hon. Friend is right. There is the added complication that the law might be applied differently depending on the characters of the individuals who happen to hold the positions, so there is scope for tension.

Mr Nuttall: Regardless of the outcome of the debate on the extent of the Contempt of Court Act, one thing of which we can all be sure is that it does not apply to Australia, for example. *The Australian*, which is on sale in newsagents in London, could easily publish the kind of information under discussion.

Philip Davies: My hon. Friend is absolutely right. One need only visit any newsstand in London to see a huge number of foreign newspapers being sold. Because they are being sold in this country, those editions might well be covered by the Bill—

Anna Soubry: They are.

Philip Davies: But it is a question of how effectively that would be enforced. I do not know whether a claim that the paper that had been caught out had been intended for a foreign audience might serve as a "due diligence" defence. It is impossible to know that at this stage.

Mr Buckland: I can tell my hon. Friend the Member for Christchurch (Mr Chope) that the Contempt of Court Act does apply in Scotland: it contains provisions dealing with penalties relating to offences in that country. It is important to note that it has that cross-jurisdictional application.

Philip Davies: I am grateful to my hon. Friend for that helpful intervention. The Bill, of course, does not have that benefit, as it applies only to England and Wales.

As the vast majority of newspapers throughout the United Kingdom have signed up to the code of practice of the Press Complaints Commission, there is bound to be some uniformity in their behaviour, whether they happen to be in England, Scotland or Wales. There is no way that the press would sign up to the provisions in the Bill as part of their code of conduct, and the Scottish papers would therefore feel no need to observe those provisions. I still feel that there is a potential for anomalies. Indeed, such anomalies already appear frequently in the newspapers.

Barely a week goes by without the appearance of some salacious story about a celebrity—a footballer, a broadcaster or some wealthy individual—who has issued an injunction with the aim of preventing the publication of information that has been passed to the newspapers. More often than not, after a few days the identity of the person concerned comes to public recognition through the internet. The story is published in a foreign country, and then turns up in chat rooms and rumour mills.

I do not know a great deal about websites of that kind, being a fully paid-up member of the Luddites, but what I do know is that, by one means or another, the names of such individuals tend to come to the surface at some point. It has always struck me as extraordinary that when everyone in the pub—virtually everyone everywhere—knows the identity of some individual who is involved in one thing or another, the only place where no one can discover it is the newspaper, because of some bizarre injunction.

Anna Soubry: I struggle to believe that the hon. Gentleman can believe—and I am sure that he will correct me—that the coverage that we saw in the media of events in Bristol in relation to that first arrested man was right.

Philip Davies: My hon. Friend made a very good point about the case in Bristol. As I said at the beginning of my speech, I am not claiming—and I do not believe that anyone is claiming—that the media are without flaw, and never make mistakes. The media have made some horrendous mistakes, as they themselves will accept. We need only consider the case of Madeleine McCann. The press made some horrific mistakes in their reporting of that case, and I think that they would be the first to acknowledge it.

No matter how hard my hon. Friend tries, we will never have a system in which the media are perfect, and everything that is reported is accurate and for the public good. There will always be instances in which the media make mistakes, and we make mistakes. We all make mistakes in life. The only people who do not make any mistakes in life are those who do not make any decisions. Anyone who makes decisions makes mistakes, and the press are just as liable to make them as the next person—as are politicians, I might add. The thrust of my argument is about the bigger picture: a free and open press and an open justice system are far more worth while than attempts to try to restrict them, no matter how good the motives behind that restriction.

Mr Chope: Does the problem not stem from the fact that the Bill is premised on a number of hard cases? We know from our experience in the House that if we begin to legislate for those hard cases we are likely to make bad law. As the phrase goes, hard cases make bad law.

Philip Davies: My hon. Friend is entirely right. There are a number of examples of people being appalled by an event in a certain part of the country. We have rushed to do something about it with a general feeling of "Something has happened; the Government must do something about it." As a result, we have introduced laws that, with hindsight, were rushed and, from a wider perspective, did not serve any particular good. The thing that those cases have in common is that they are all well intentioned and are all based on highlighting a real or perceived problem that matters to many people.

I return to the point that my hon. Friend the Member for Broxtowe has hit on something about which many people are concerned, and which they regard as a problem. I therefore commend her on opening the debate. We are all interested to hear the Minister's reply, so I do not intend to detain the House any longer. Whatever the merits of my hon. Friend's argument and the problems that are out there, whether perceived or real, we should tread very carefully indeed, because we

restrict the freedom of the press and the information that we give the public at our peril. I hope that the Minister will show caution in his response to the Bill, and it would be far better if my hon. Friend went back to the drawing board and returned with something much more limited in scope that might be more acceptable to all concerned.

1.2 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I shall begin with the usual courtesy of congratulating my hon. Friend the Member for Broxtowe (Anna Soubry) on her success in the ballot and on introducing a proposal that has produced an interesting and thought-provoking debate. I applaud in particular her commitment to this issue, which is founded on a depth of relevant experience and genuine concern about the damage that inappropriate or excessive media coverage can do under certain circumstances. Very few hon. Members have her combination of qualifications and experience to address the issue with such authority, so it is not surprising that her success in the ballot should result in her introducing this Bill.

Before I come to the substance of the Government's position, I shall reflect on the debate. We heard an admirably concise contribution from my hon. Friend the Member for Carshalton and Wallington (Tom Brake), who made clear his support for the Bill. My hon. Friend the Member for South Swindon (Mr Buckland) made his usual learned contribution on the law in this area, and made an excellent contribution to our debate. My hon. Friend the Member for Sherwood (Mr Spencer) is no longer in the Chamber, but he made it clear that the subject ought to receive consideration. Indeed, it received such consideration from my hon. Friend the Member for Bury North (Mr Nuttall), who made what I understand is his usual contribution to the examination of matters on a Friday.

The Opposition spokesman, the hon. Member for Stoke-on-Trent South (Robert Flello), made clear his concern about the Bill. On reflection, he may reconsider the wisdom of taking interventions from my hon. Friend the Member for Broxtowe in future. We saw the first part of his argument exploded because of his misunderstanding of the Worboys case. Rather unwisely, he decided to take a another intervention on the point that he was making about the role of a bereaved family in an active case and the possibility of them having direct influence on the issue. My hon. Friend the Member for Broxtowe delivered a one-two to the hon. Gentleman. I hope that I shall not provoke her too much in the course of my remarks, or ever find myself on the wrong end of a cross-examination by her if she returns to being a barrister.

My hon. Friend the Member for Shipley (Philip Davies) made an admirably liberal contribution—wholly commendable though, from my point of view, marginally unexpected, and with admirable regard for the need to respect the fiscal position of the Government and the taxpayers' interest. He, like the hon. Member for Stoke-on-Trent South, made clear the attachment to the principle of open justice. I noted the attachment of my hon. Friend the Member for Shipley to full transparency, public knowledge and the need to avoid

"inaccurate and uninformed comment about proceedings."

I may return to that later.

As my hon. Friend the Member for Broxtowe explained, her Bill aims to protect members of the public from media reporting where they have been arrested but not charged with an offence. This proposal responds to public concern about an issue highlighted in a recent high-profile case. Clearly, the Bill touches on a controversial area of law and policy, with potentially wide implications for the way in which our press, our courts and our wider justice system work. It is the sort of area that, I am sure Members will agree, needs to be approached with some caution, forethought and careful deliberation.

With that in mind, I want to respond to my hon. Friend's proposals in a thorough and structured way. I will look first at the current legal position, which is more complicated and detailed than is sometimes realised. I will examine in more depth previous proposals to change the law, which are highly relevant to the Bill. These include previous measures explored by the coalition to address the vexed issue of anonymity in rape cases. I will then turn to the substance of the matter—the general issues raised by the Bill, and its evidence base. In conclusion I will say a little about its detailed contents and make the Government's position clear.

Let me say now that we do not at this time think that we can support a statutory prohibition on the reporting of arrests pre-charge, but I will go on to say what measures we will be taking, and I hope that they will provide my hon. Friend and her supporters with a degree of comfort.

Under the present law, the media are broadly free to report the identity of suspects at all stages of the criminal process—when they are under investigation, when they are arrested, and when they are charged. The media are free also to report criminal trials, subject to a range of statutory and common-law reporting restrictions, which are designed to protect the integrity of criminal proceedings. There are protections in the law to try to stop individuals being pilloried in the press, including libel provisions and, where comment may be prejudicial to any future proceedings, contempt.

Taken together, these arrangements reflect our long and proud common law tradition of open justice and article 6 of the European convention on human rights, which guarantees the open justice principle. In its words, in

"the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law. Judgement shall be pronounced publicly".

However, article 6 permits exceptions to the general rule of open reporting, as follows:

"the press and public may be excluded from all or part of the trial in the interest of morals, public order or national security in a democratic society, where the interests of juveniles or the protection of the private life of the parties so require, or the extent strictly necessary in the opinion of the court in special circumstances where publicity would prejudice the interests of justice".

It has long been the statutory position under our law in cases involving national security, for example, that the judge has the power to exclude the public and media from the courtroom during the trial.

There have been a number of proposals for changing the law in modern times, and this is one of those areas of recurring interest to Parliament. The real starting point was section 6 of the Sexual Offences (Amendment) Act 1976, which granted anonymity to defendants in rape cases. Of course, that measure applied only after

[Mr Crispin Blunt]

charge, whereas the present Bill would grant anonymity between arrest and charge. The 1976 Act does, however, usefully flag up at the outset the fact that different options are available where the timing of the anonymity is concerned, and I will return to that subject later.

The 1976 Act's provisions were duly repealed in 1988 and one has to jump forward 11 years, to 1999, for the next important developments. In that year the previous Administration enacted the Youth Justice and Criminal Evidence Act 1999, section 44 of which imposed anonymity at the pre-charge stage to persons under 18 years old who are involved in criminal investigations, including suspects. Thus, the 1999 Act provides a statutory precedent to the measures in the Bill—a precedent expressly limited to children and young persons—but it is also important to understand that this legislation has never been brought into force.

It was also in 1999 that I introduced the Sexual Offences (Anonymity of Defendants) Bill. As I reminded the House last summer, I have some form in this area. My hon. Friend the Member for Broxtowe referred to it, but in the context of the debate about rape anonymity, and as I will come to reflect on, we have proposals that achieve the objective that I set out in the Education Bill that is before the House. The purpose of my Bill was to protect teachers from the consequences of accusations by children who have anonymity, and from the subsequent reporting of such allegations. As some hon. Members may recall, my Bill was prompted by the suicide of a constituent, Nick Drewett, a teacher who took his own life after being accused of behaving improperly with pupils in his care. This was a tragic example of the cost of unfounded allegations. The headmaster who was accused alongside him was subsequently acquitted. My experience here is one reason why I am delighted that the coalition is bringing forward legislation to deal with the problem of false allegations against teachers.

The subject was then debated in great depth during the passage of the Sexual Offences Act 2003. Even before those debates developed, the Home Affairs Committee had recommended granting pre-charge anonymity to suspects in sexual offence cases. It will be noted that on this occasion the anonymity would have dealt with a narrow class of offences where there was thought to be particular difficulty—namely, sexual offences—and would not have applied to all criminal offences as the present Bill does.

The subject was debated in very great depth in this House and in the other place during the passage of the Act. As I hope some hon. Members will recall, matters began on that occasion when the Cross Bencher, Lord Ackner, the late former Law Lord, tabled an amendment to the Sexual Offences Bill in the other place. Lord Ackner's view was that defendant anonymity in rape cases had worked well between 1976 and 1988. He had, as he said,

"heard nothing to suggest that during those 12 years there were occasions when it worked to the disadvantage of justice. I have not limited my request to pre-trial because pre-trial is only part of the issue."—[*Official Report, House of Lords*, 2 June 2003; Vol. 648, c. 1095.]

The anonymity proposed by Lord Ackner would, in terms of his amendment, have been the same as that enjoyed by the complainant. It would therefore have applied from the point of the allegation for life, unless of course the defendant was convicted.

There was then, as I say, considerable debate in both Houses, not least about the point at which the anonymity should apply, pre or post-charge. The Government of the day accepted the desirability of pre-charge anonymity in sexual offence cases in principle, but preferred a non-legislative solution. Concerns raised during the passage of the Bill about media reporting in certain cases did not lead to a substantive change to the editors' code of practice, which continues to contain no steer against pre-charge reporting of the identity of those suspected but not charged. The media's guidelines accordingly differ somewhat from the approach taken in the guidance from the Association of Chief Police Officers, which makes it clear that police officers should not normally disclose the identity of suspects under investigation. That remains the position today. There has been some development in that guidance. ACPO's media advisory group produced clear guidance and advice in December 2000 and in 2002, paragraph 1.1 of which states:

"Generally people under investigation should not be named but they can and will, with certain exceptions, be identified once they have been charged. This approach balances the principle of open justice with the rights of the individual to privacy, a fair trial and damage to the reputation of an individual if no charge is made against them".

ACPO, in conjunction with the media, has produced an updated statement on the position today. It does not contain that paragraph, but that is because it is really a statement of what the position is. I have been careful to take advice and want to make it clear that the guidance to police remains exactly as it was in 2000 and 2002.

Most recently, our coalition programme for government contained two commitments on anonymity: first, to extend anonymity in rape cases to defendants; and, secondly, to give anonymity to teachers accused by pupils and to take other measures to protect against false allegations. The first was of course the subject of much debate inside and outside the House, and the question of the timing of anonymity in criminal cases again came to the forefront, as did the kinds of offences to which anonymity might apply.

Very properly, the examination in Parliament of our coalition agreement proposal helped to trigger a careful re-examination of the evidence base for the proposition set out in the election programmes of both coalition parties, and the role of my hon. Friend the Member for Broxtowe in that debate was not insignificant, as was made clear in her excellent speech of 8 July. It was a very good debate, showing the House at its best. Using the resources of the excellent team of analysts in the Ministry of Justice, we reached the conclusion, which I announced to Parliament on 12 November, that the evidence base was not strong enough for the Government to proceed with the proposals.

However, our commitment to giving anonymity to teachers is being taken forward in the Education Bill, which I hope Members on both sides of the House will welcome. On that subject, we have said:

"We will give teachers the strongest possible protection from false accusations. We will give anonymity to teachers facing accusations from pupils. This Government want to put an end to rumours and malicious gossip about innocent teachers which can ruin careers and even lives."—[*Official Report*, 7 July 2010; Vol. 513, c. 12WS.]

In the case of the Education Bill, the anonymity will apply from the point of allegation to the point of charge, so again there is a difference from what my hon. Friend's Bill proposes. The anonymity set out in the Education Bill applies to only a limited range of offences that are particularly likely to attract false allegations against teachers. Again, that represents quite a difference from my hon. Friend's Bill.

Having summarised the somewhat convoluted background, I believe that it casts important light on the Bill in a number of areas. First, there is the question of the evidence base. Some people will no doubt argue that recent events, about which I will make no specific comment, prove that there is a case for replacing media self-regulation in this area with a statutory prohibition, such as that set out in the Bill. My hon. Friend herself has been quoted in the press as saying that

"since the media don't seem able to regulate themselves, Parliament should do something about it",

which puts the point with commendable directness.

I urge a degree of caution. The Government only recently withdrew our commitment set out in the coalition programme to grant anonymity in rape cases to defendants, having discovered on closer examination that there was insufficient evidence either for or against the proposal. That ought to alert us to the sensitivities of intervening in this area. We need to be a little wary of assuming that individual hard cases, as my hon. Friend the Member for Christchurch (Mr Chope) said, however hard or egregious they might seem, constitute evidence of a widespread or pressing social problem sufficient to justify interference with long-standing freedoms.

This country has a long and proud tradition of media independence, an important part of which is self-regulation. It is not impossible to question how effectively that self-regulation is operating, but we should not interfere with it lightly. Any interventions on the subject need significant reflection and widespread consultation, and they should proceed as far as possible on the basis of consensus.

Secondly, it is noticeable that, compared with previous initiatives, the Bill imposes anonymity on an all-crime basis, applying to all criminal offences alike, including purely summary offences. That represents a departure from the view, evident in previous proposals, that anonymity may be justified only to address specific difficulties—for example, where particular kinds of offence are concerned.

Thirdly, on timing, the Bill applies the anonymity from the point of arrest to the point of charge only. That interesting approach has received little if any attention in the past, and I shall reflect on the detailed contents of the Bill by looking more closely at the issue of timing.

As my hon. Friend the Member for Broxtowe has explained, the Bill's intention is to impose a general restriction on reporting from the point of arrest to the point of charge. The choice of the point of arrest as the starting point for anonymity means that a person who attends the police voluntarily for interview will not be subject to reporting restrictions, whereas there will be a media blackout for a suspect who is arrested. At first sight, the comparison is a little worrying, and it certainly prompts further thought.

Perhaps more importantly, as I have noted, the Bill prohibits the reporting of any arrested person's identity, whatever the offence, without a court order. That is perhaps the greatest question raised by the Bill's contents: whether there should be a prohibition on purely factual reporting merely by virtue of the fact that it concerns an arrest. There is clearly an argument that, in some cases at least, the media should have the right to report the facts unless there is a court order to the contrary. Again, we would like to reflect further and deliberate fully ahead of taking action on a clear issue of general principle.

I commend my hon. Friend for the safeguards that she has incorporated in her Bill. Clause 2 enables the restrictions to be waived either by the court itself or on an application by the person who has been arrested, the police, a prosecutor or any other person with a sufficient interest, which we take to include the media. That helps to address the admirable liberal arguments that my hon. Friend the Member for Shipley (Philip Davies) advanced in an intervention concerning potential police access. I am looking to see whether he is in his place, but he is not, which is a shame, because I have one or two things to say about another of his interventions, in that case on our hon. Friend the Member for Bury North, which was not quite as helpful or as accurate.

Reflecting on the determination of my hon. Friend the Member for Shipley to avoid inaccurate or uninformed comment about proceedings, I want to put on the record the fact that his statement about the Government being in the business of releasing prisoners before they have ended their sentence is wholly and woefully inaccurate. He has misunderstood the admirable speech in June by my right hon. and learned Friend the Lord Chancellor, who made clear the inefficacy of short sentences in rehabilitating offenders. It led him to the conclusion that we would not have short sentences at all and all those people would otherwise be released. That is wholly and woefully wide of the mark.

If one is going to try to avoid—in some circumstances—short sentences, one is going to be taken in two directions. One will need more effective community punishment, with more public confidence in the idea that people can be punished effectively and rehabilitated more effectively in the community; but at the same time one might need longer sentences, particularly for the sort of people to whom my hon. Friend referred. That does not mean I spend my time in the Ministry of Justice signing Executive release orders to drive the prison population down. That is not the case.

We estimate that by the end of this Parliament the prison population will be 3,000 lower than it is now. I want to make it clear that that is an estimate, not a target. This Government will continue to incarcerate those whom the courts send to prison. I hope that that clarification will serve my hon. Friend well when he reads it in the record, and that we will not hear any more of the inaccurate nonsense suggesting that our proposals on offender management—

Mr Deputy Speaker (Mr Nigel Evans): Order. I have given the Minister a bit of latitude, but could he now get back to the Bill?

Mr Blunt: I am extremely grateful, Mr Deputy Speaker. Given that our policy is so widely misrepresented, I intend to take every opportunity to make it clear what our actual policy is until not only am I bored rigid by it, but so is everybody else.

[Mr Blunt]

My hon. Friend the Member for Shipley expressed concern about the cost to the courts and the Prison Service of all the people who would be arrested and locked up under the proposals of my hon. Friend the Member for Broxtowe. I am happy to say that that is not one of the Government's objections. However, these are very difficult times economically, and we would want to consider carefully the practical implications of the application procedure and whether the Crown court or the magistrates court would be the appropriate venue.

The criteria for lifting the restrictions on a case-by-case basis, as set out in clause 2, are very broadly drawn. They would enable the restrictions to be lifted on human rights grounds, in the interests of justice, or in the public interest. The fact that the exceptions to the reporting restriction are so broadly drawn highlights once again the central question of principle—that of whether the default position of a prohibition on factual reporting is the right one. Again, we would like to reflect further on that.

Turning to the territorial extent of the provisions, the Bill would apply to England and Wales only. This point was made by my hon. Friends the Member for Bury North and for Carshalton and Wallington. The more usual position is for legislation imposing reporting restrictions to apply on a UK-wide basis. It is a question of enforceability, as we heard repeatedly during the debate, and also of policy consistency between the three jurisdictions.

Clause 3 raises the interesting question of consent. It would require the Director of Public Prosecutions, the director of the Serious Fraud Office or the director of Revenue and Customs Prosecutions to give their consent before anybody could be charged with an offence under the Bill. Other legislation gives the power to consent to certain highly sensitive prosecutions to the Attorney-General, and the coalition would need to take its own view on which the appropriate consenting authority should be.

In summary, I warmly welcome the debate that this Bill has prompted on a matter about which I recognise there has been recent public concern. However, I think that Members will not be surprised to hear my overall conclusion. Largely for the reasons I have set out, I regret that the Government are unable to lend the Bill their support. This is, in part, a matter of the detail of the proposals, be it on timing or on the precise nature of the safeguards. More substantively, it prompts the question of whether the use of legislative solutions is the right answer or whether more proportionate approaches are available.

I know that my hon. Friend the Member for Broxtowe shares my concerns about the quantity of legislation that has been passed here in the past 13 years. There have been 21 criminal justice Acts of one sort or another in that period. Of all the people in this House, my hon. Friend, as a former practising criminal barrister, will have been the victim of all the changes imposed on the law and will have kept up to date with it. I am sure that she would wish it had been otherwise.

The question was posed as to how many thousands of new criminal offences have been created in the past 13 years. I fear I must tell the House that there have been so many thousand new criminal offences coming from so many different Government Departments of one sort or another that it is difficult to get a wholly and reliably accurate answer about the exact number that have been put on to the statute book. It is tricky getting it to the nearest one or two when there are so many thousands, particularly as they come from all sorts of different legislation brought to Parliament by several different Departments. I am reminded of St Bernard's maxim, "The road to hell is paved with good intentions." Perhaps another relevant aphorism is, "Legislate in haste, repeal at leisure."

Although I thank my hon. Friend for airing these issues, we cannot support them today. What is at stake is the balance between competing interests and we need to get that right. I support the idea that we need to avoid unfounded slurs and speculation damaging the lives of innocent people. Punishments before and without trial are wrong. Equally, the media have raised the prospect of a world of

"secret arrests and anonymised justice".

That is not where we would like to end up either.

What I can say, which I hope will offer a degree of reassurance to my hon. Friend, is that the Government do not intend to ignore the issues she has raised. We intend to consider whether the laws on contempt and pre-charge reporting contain gaps that may impede justice. I note the contributions of my hon. Friends the Members for Bury North and for South Swindon on the operation of the Contempt of Court Act. The laws on contempt and pre-charge reporting merit further consideration because of the complexity of the regulation in this area and the interests that need to be balanced carefully. This debate is important enough to deserve clarity, not confusion. That may take some time. I know that there are strong views on all sides of this debate and I look forward to debating them further in due course, having had the benefit of further consideration by the Attorney-General.

1.31 pm

Anna Soubry: I thank all hon. Members who have contributed to the debate, even those who could not support the Bill.

I want to make it clear that the Bill was not born of the events in Bristol. It received its First Reading last summer. It was born of the debate on the anonymity of people accused of rape. I have heard all the arguments today, and I am not afraid to say when something does not fit the situation or circumstances. I accept that there are flaws in the Bill and that it therefore does not address the problem, which has been so accurately identified by Government and Opposition Members.

I am grateful to the hon. Member for Stoke-on-Trent South (Robert Flello) and, obviously, to the Minister. It is clear from the debate that we want to ensure that what happened in Bristol does not happen again. I am happy to hear about the review of the Contempt of Court Act that the Government will undertake, and about the thoughts and feelings of the Attorney-General on this matter, which I know he takes seriously.

Mr Blunt: I want to make it quite clear that we are not proposing a formal review. The Attorney-General will examine this area and we will see what the fruits of

that examination are. I am not undertaking to the House that there will be a formal process. I am quite sure that my hon. Friend shares my confidence that the matters will be considered properly by the Attorney-General.

Anna Soubry: I am exceptionally grateful to the Minister for making that clear. In the circumstances, I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Bill withdrawn.

Coinage (Measurement) Bill

Second Reading

1.33 pm

Mark Lancaster (Milton Keynes North) (Con): I beg to move, That the Bill be now read a Second time.

I am grateful for the opportunity to present the Coinage (Measurement) Bill to the House. Hon. Members may not be aware that coins have a special resonance for my constituency of Milton Keynes North. Despite being a very modern city, Milton Keynes is an area of rich historical findings that span a timeline of approximately 4,000 years. Indeed, it was near Milton Keynes that possibly the oldest known gold coin in Britain, a gold stater from the second century BC, was discovered. Numerous discoveries of iron age, bronze age and Roman coins have been made in Milton Keynes and the surrounding area. It is exactly that sort of historical legacy that the Bill is intended to address.

My two-clause Bill would make a minor technical amendment to the Coinage Act 1971, which governs the striking of coins by the Royal Mint and contains various standards in respect of weight, fineness, composition and dimensions that coins struck by the Royal Mint must comply with. It also makes provision for permitted variations from those standards. Section 1(6) requires that the variation from the standard weight of any coin

"be measured as the average of a sample of not more than one kilogram of that coin."

That is perfectly fit for the purpose for which it was originally conceived. The current weights of UK circulating coins range from the 5p coin at 3.25 grams to the £2 coin at 12 grams, so a sample of a kilogram would contain 307 5p coins or 83 £2 coins, an ample number to fulfil the requirement to measure average weight. Having seen the Royal Mint's impressive production line in action on Monday, with presses that typically strike about 750 coins a minute with less than 0.08 mm variance in diameter and less than 0.238 grams variance in weight, I know that a sample of kilogram is therefore a perfectly reasonable measure of the tolerated variation from the standard weight. It was not until 1992, 21 years after the Coinage Act was introduced, that the first 1 kg coin was minted.

Members may well be interested to know what the environmental impact of minting coins is. All the Royal Mint's operations are conducted under an environmental management system certified to ISO 14001, the internationally recognised standard for the environmental management of businesses. It prescribes controls for activities that have an effect on the environment, including the use of natural resources, the handling and treatment of waste, and energy consumption. Furthermore, in June last year the Royal Mint became the first mint in the world, and the largest UK manufacturer, to achieve SA 8000 accreditation, the international standard for socially responsible businesses.

Circulating coins is just one part of the Royal Mint's business, and as with all good businesses, it is constantly seeking to evolve, expand and explore new technologies and commercial opportunities. I am glad to see my hon. Friend the Economic Secretary to the Treasury in her place. As the Minister responsible for the Royal Mint and coinage policy, no doubt she will be able to elaborate on recent developments in the Royal Mint's commemorative

[Mark Lancaster]

coin activities. From its 2009-10 annual report, I see that the commemorative coin division had a turnover of £89 million in that year, with an operating profit of some £5 million. That was due in part to the commencement of the London 2012 Olympic coin programme, with the 2009 £5 countdown silver proof and silver proof piedfort coins selling out.

The full range of 2012 Olympics products is available on the Royal Mail website, but some of the features of the coin programme are the countdown collection, the London 2012 sports collection, the "Celebration of Britain" collection and the "Gold Series: Faster, Higher, Stronger" set. On its current trajectory, and on the assumption that the Bill successfully completes its passage through this House and the other place and the planned kilogram coins are issued, the programme for London 2012 is on course to be the biggest Olympic coin programme to date.

Christopher Pincher (Tamworth) (Con): My hon. Friend mentions the motto of the Olympics, "Faster, Higher, Stronger", which I think in Latin is "Citius, Altius, Fortius". Given that we are likely to have the heaviest coin ever circulated in the United Kingdom, would it be sensible to add "Gravius"—heavier—to the motto on the coins?

Mark Lancaster: I thank my hon. Friend for his excellent suggestion, and I think it probably would. Perhaps we should put that suggestion to the International Olympic Committee. I am sure that he would like the Economic Secretary to do that on his behalf, but we will see what she has to say about it.

That brings me to the purpose of the Bill. As part of the Olympic programme, the Royal Mint is keen to strike those kilogram coins that my hon. Friend the Member for Tamworth (Christopher Pincher) mentions. As I said earlier, the current wording of the Coinage Act would effectively prohibit that. It is not possible to measure the variation from the standard weight in the case of the proposed Olympic coins because the weight of each coin is likely to be equal to or greater than the 1 kg aggregate limit for a sample under section 1.

Clause 1 therefore amends the Coinage Act so that the variation from the standard weight can be specified by royal proclamation, for which section 3 provides. That would grant the flexibility to adjust the size of the sample for the purposes of the section 1(6) weight variation test. I am sure that hon. Members will appreciate that that removes a technical legislative obstacle to the proposed Olympic coins, allows the Royal Mint to continue to develop new and innovative designs and provides exciting opportunities to push coinage boundaries.

Striking kilogram coins has recently become part of the Olympic games tradition. Most host nations in recent years—for example, Australia, Canada and China—issued such coins, and they proved extremely popular with collectors internationally. The Bill would allow the Royal Mint to continue that tradition in commemoration of the London 2012 Olympic and Paralympic games.

The large size means that the kilogram coins will be an exciting, artistic and eye-catching part of the Olympic games. The intention is for them to be significant works of numismatic art. The Royal Mint will approach high-profile British artists to prepare the designs—that is already under way.

After royal and ministerial approval, a commitment to strike kilogram coins was given to the International Olympic Committee during the United Kingdom's bid to host the 2012 games. If the Bill is not passed, the kilogram coin element of the Olympic coin programme will unfortunately have to be scrapped. The Royal Mint, in consultation with the London Organising Committee, would need to consider an alternative product to fill the gap in the programme. However, none of the alternatives would have anything like the appeal of the 1 kg coin. There is a global expectation that the Royal Mint and the London 2012 Olympic coin programme will follow in the footsteps of London's predecessors.

Mr Christopher Chope (Christchurch) (Con): Will my hon. Friend assure the House that none of the coins will be given free to members of the International Olympic Committee, who seem to go in for lots of freebies?

Mark Lancaster: My hon. Friend makes a valid point. I would like to think that that would be the case. It is my understanding that the coins will be put up for sale—and sale only.

The Royal Mint wants to ensure that the two commemorative kilogram coins will crown the range of coins. Judging from the reception of similar coins around the world, and after consulting representatives of the coin trade and collectors, the Royal Mint is confident that the UK kilogram coins will be well received—but hopefully not by the IOC.

Iain Stewart (Milton Keynes South) (Con): I congratulate my hon. Friend on introducing the Bill. Does he agree that the coins, as well as being of interest to collectors around the world, could usefully serve as prizes for different communities, which will try to emulate the Olympic games by hosting, for example, inter-village competitions? A kilogram coin would be a fitting award to the community that triumphed in those sporting contests.

Mark Lancaster: My hon. Friend makes a powerful point. Indeed, the coins will be for sale, and there is an opportunity for doing what he suggests.

Tom Brake (Carshalton and Wallington) (LD): The hon. Gentleman is making a serious case. Has he had any discussions with vending machine manufacturers about whether they would want to use the coin?

Mark Lancaster: There will be coins in the range that vending machine manufacturers may want to use, but I am not sure whether they will want 1 kg coins. That could prove something of a challenge and perhaps rather expensive.

Christopher Pincher: On the design of this coin—or should I say "paperweight"—is my hon. Friend aware of whether the College of Arms will be consulted over the design on the reverse? He might be aware that the college and its former head, Sir Peter Gwynn-Jones, were concerned about the design of the smaller coinage in 2008.

Mark Lancaster: The Royal Mint has an advisory committee made up of a number of distinguished gentlemen and ladies in this field. I am not sure whether the College of Arms was consulted, but I am more than happy to find out and come back to my hon. Friend. We would like to think that the quality of these coins would be something of which the nation can be proud, and hopefully the committee will ensure that that is the case.

The Royal Mint proposes to make its kilogram coin from 22-carat gold and fine silver—so there would be two separate coins. They would be the largest ever UK coins, with a diameter of 10 cm and a face value of £1,000 for gold and £500 for silver. Based on demand from previous Olympic games, we anticipate minting 60 of the gold coins at an estimated cost of about £40,000, and 14,000 silver coins at an estimated cost of £1,250. However, the exact price of the coins will depend on the cost of gold and silver at the time.

Christopher Pincher: Will the coins be solid gold or mixed with baser metals? My hon. Friend might know the story that the first inflationist in our country was King Stephen, who debased the coinage in the 1140s—a rather inglorious path trodden by several Governments down the centuries, notably the Attlee, Wilson and Callaghan Governments. Will we have gold in our coins, or will they be debased?

Mark Lancaster: Having seen the production line for myself, I am confident that they will indeed be 100% gold and 100% silver. I would hate to think that what my hon. Friend describes would happen again, and after my visit I am quite confident that that will not be the case.

It may interest hon. Members to hear that there is a common misconception about the meaning of legal tender. The face value of the coins will be very different from the cost of buying them. The parties involved in a transaction are free to agree the means of payment, whether bank notes, credit card or other payment arrangements. However, in the absence of any such agreement, the creditor is entitled to require payment in legal tender. Conversely, the debtor is entitled to use it. Bank of England bank notes are legal tender in England and Wales, but not in Scotland or Northern Ireland. However, Scottish and Northern Irish bank notes are not legal tender anywhere in the United Kingdom. I see my hon. Friend the Member for Milton Keynes South (Iain Stewart) nodding. I am sure that he has suffered from this. Coin is also legal tender throughout the UK, although in most cases only up to certain specific limits.

The Olympic programme would generate royalties for London 2012 and the Exchequer, because the Royal Mint corporate entity is 100% owned by Her Majesty's Treasury. Of course, the royalty payable would depend on sales and the final price of the coins, which will be determined by the price of gold, as I have said. However, as I mentioned, it is expected that demand will be similar to, if not greater than, that associated with previous Olympics. It is also important to note that the project is self-funding. The coins form just part of a wide range of products the Royal Mint is issuing to commemorate the 2012 Olympics. As Lord Coe, the London 2012 chairman, said in 2009:

"we're thrilled to be working with the Royal Mint to commemorate three years to go. As the excitement builds over the next three years, it is fantastic to know that the Royal Mint will be alongside us, helping the whole country to join in with our celebrations."

It is important to remember that the sporting, cultural and historical significance of London 2012 is not limited to the area within the M25 boundary. The athletes aspiring to compete under the Great Britain banner come from all over the United Kingdom. I would particularly like to recognise those from my own constituency and its environs: Greg Rutherford, Nathan Robertson, Bobby White, Joey Duck and Mervyn Luckwell are just a few of the Buckinghamshire athletes hoping to take part in the Olympic and Paralympic games in 2012. Furthermore, in recent weeks, my hon. Friend the Member for Milton Keynes South and I have been to a number of local events organised by Roger Fennemore and his wife, Sally, helping to raise funds for our local athletes and their training for the Olympic programme. I pay tribute to them. I am pleased that Milton Keynes has also been selected as the site of one of the 2012 Olympic training villages, owing to its strategic location and strong infrastructure, offering training for five Olympic and four Paralympic sports. Her Majesty the Queen planted the first tree on the Olympic park—next to the waterways, adjacent to the stadium—a mature willow tree grown in Milton Keynes, the first of more than 300 that will be planted on the stadium site.

Iain Stewart: My hon. Friend makes an important point about the significance of the Olympic games to towns, villages and cities throughout the United Kingdom. As well as supporting the elite athletes who will be competing in the games, an important part of the Olympic legacy will be inspiring young people to take part in sport and to develop their talents. This Bill, in addition to the measures that he has mentioned, will be instrumental in inspiring that new generation.

Mark Lancaster: My hon. Friend makes an important point. The whole programme is excellent, particularly the 50p coins, of which I think there are 29 versions, celebrating each individual sport. One of those coins was designed by a "Blue Peter" viewer, so we have indeed managed to engage the whole country in the programme. That is important if we are to continue to inspire young people to take part in the Olympic programme.

Let us not forget the Paralympic mascot, Mandeville, named after the Buckinghamshire village where the precursor to the Paralympics was born. I would also like to mention Dr William Penny Brookes, the founder of the Wenlock Olympic games, which have been held almost every year since 1850 in the historic town of Much Wenlock, in the constituency of my hon. Friend the Member for Ludlow (Mr Dunne). As the House knows, the Wenlock games were the inspiration—here, in England—of the modern Olympic games, which started in 1896 in Athens, after Baron Pierre de Coubertin, a Frenchmen, had witnessed them. The London Organising Committee of the Olympic Games and Paralympic Games has recognised Much Wenlock's place in British Olympic history by naming the London 2012 mascot Wenlock. That is an excellent tribute to my hon. Friend's constituency town.

The striking of kilogram coins will not be limited to commemorating the Olympics. Future events of cultural significance and historical anniversaries, as well as sporting occasions, could all be celebrated in that way. The Coinage (Measurement) Bill therefore presents an exciting

[Mark Lancaster]

opportunity, with far-reaching implications. I am looking forward to a lively debate, but would urge hon. Members to let the Bill pass unopposed to the Committee stage.

1.52 pm

Kerry McCarthy (Bristol East) (Lab): I congratulate the hon. Member for Milton Keynes North (Mark Lancaster) on introducing this Bill. It is perhaps not the most exciting Bill for someone who has succeeded in the highly competitive private Member's Bill ballot, but I appreciate that legislation is needed if we are to keep our promise to the International Olympic Committee and if the Royal Mint is to fulfil its agreement to mint an Olympic coin weighing 1 kg. If he will excuse the pun, the hon. Gentleman has done a sterling job of making the issue seem more exciting than perhaps it is, enthusing those Members who are present about the prospect of purchasing a 1 kg coin. I must confess that I am not entirely convinced that the coin needs to be quite so substantial and weighty. Perhaps he or the Minister could comment on online speculation that the coin will become known as the Boris, on the grounds that it will be overweight and not an awful lot of use. However, it is welcome that the design will be put out to British artists, to see whether we can come up with the best design. I hope that the design meets with rather more public approval than the 2012 Olympics logo did when it was first launched, but we shall see.

In a week in which I, along with many other MPs, have received hundreds of e-mails from constituents determined to save our forests from the Government's sell-off—I have received more than 200, while my constituency neighbour, the hon. Member for Bristol West (Stephen Williams), has received more than 900 and one of my colleagues in the north-east has received more than 1,200—I would like to think that the complete absence of any e-mails from concerned constituents lobbying me about the Coinage (Measurement) Bill is not a sign of apathy or lack of interest, but a sign of the overwhelming consensus and the warm glow of approval that radiates across the nation when people consider the contents of the Bill and the prospect of being able to purchase a supersized coin, even if it will be beyond the means of most, if not all, of my constituents.

I can confirm that we are happy to support the Bill. I do not want to underplay its importance—I have made it quite clear how supportive I am—but the next Bill on the Order Paper deals with illegally logged timber. Bills dealing with that issue have been brought before the House on a number of occasions without proceeding through to their final stages. In the last Parliament, a similar Bill was introduced by my former hon. Friend the Member for Hendon, Andrew Dismore, one of the veterans of private Members' Bills Fridays. In the interest of ensuring that the next Bill gets an airing today, I will draw my remarks to a close and look forward to hearing what the Minister has to say.

1.55 pm

Tom Brake (Carshalton and Wallington) (LD): Having made a rather facetious intervention on the hon. Member for Milton Keynes North (Mark Lancaster), I thought I should make a brief but serious contribution to the debate as well. I am in favour of his Bill, although, like the hon. Member for Bristol East (Kerry McCarthy), I am slightly intrigued by the thought process that he must have gone through to arrive at this as his choice of private Member's Bill out of all the subjects that he could have run with.

I want the Olympics to be the event of a generation, and I am sure that the hon. Gentleman does as well. The coins that he has described will be unique and widely sought after by collectors, and I am sure that they will contribute to making the 2012 Olympics an event to be proud of and one that we will all remember for the rest of our lives. I hope that all hon. Members will allow his Bill a swift passage, so that we can see those coins minted and available in small numbers, if not in a vending machine near you.

1.56 pm

Mr David Nuttall (Bury North) (Con): I congratulate my hon. Friend the Member for Milton Keynes North (Mark Lancaster) on bringing forward the Bill. It might not have generated many e-mails—in fact, I have not received any at all on the subject—but that does not detract from its merit. I rise to support it and I wish it well at the start of its long parliamentary journey.

The eyes of the world will be on the United Kingdom next year as we host the 2012 Olympics. Great as the games will be, however, they will be over in two or three weeks; after all the hype and the years of planning, I am sure that they will pass all too quickly. It is therefore right that we should concentrate as much on the legacy that the games will leave behind as on the games themselves, and a crucial part of the Olympic legacy will be the sale of commemorative coins. If there is one item that people are likely to save and treasure, it is a commemorative coin. I can see such items being left in people's wills as legacies to future generations, perhaps for centuries to come.

We know that the 2009 "Countdown to London 2012" coin collections sold out due to the huge demand for them. On 1 April last year, more than two years before the start of the games, the Royal Mint confirmed that the London 2012 Olympic and Paralympic commemorative coins would be the best-selling coins in the history of the Royal Mint. That is testament to the great work that the Royal Mint has done in the build-up to the Olympics. In addition to ensuring that the country is left with a great sporting legacy following the Olympics, it is important to ensure that the games and the legacy provide value for money. As my hon. Friend the Member for Milton Keynes North said, the Royal Mint contributes considerably to the Treasury coffers, and this commemorative coin will add to that revenue.

Among the existing coins available on the Royal Mint website, there is already a "Countdown to London 2012" £5 silver proof coin, available at £65.99—a snip. Also awaiting stock are a gold three-coin set—in a four-coin case, for some reason I do not understand—at £4,499, and a gold proof £5 coin at £1,599. Perhaps Members will be more interested in the 50p coins available at £2.99, which are provided for all 29 individual sports: shooting, taekwondo, table tennis, judo, volleyball, table tennis, handball and so on. Alternatively, if people want to splash out they can get a bumper pack for all 29 sports, plus a free album, for £85.

When the coins were issued, the Royal Mint's director of commemorative coins, Dave Knight, said that they will

"become treasured mementos of the biggest sporting event to happen on UK shores for over half a century and we hope will encourage a new generation of collectors."

I am sure that they will. His view was backed up by an Olympic gold medallist, Rebecca Adlington OBE, who, when launching the "Countdown to 2012" commemorative coins, said that the Olympic games is just around the coiner—*[Laughter.]* A Freudian slip there. She said:

"The Olympic games is just around the corner and this coin is a great way for the British public to show its support for the sports men and women who are already preparing for this ultimate sporting challenge."

The issuing of gold coins representing the ethos and history of the Olympic movement has been a key part of the build-up to the Olympic games for centuries. To celebrate the 30th Olympiad, the Royal Mint has already begun issuing its gold coin collection, with the distinction of being the only coins to feature the Olympic rings as part of their design. The complete collection will eventually contain nine coins, comprising three separate three-coin sets inspired by the famous Olympic motto, to which we have already heard reference, "Citius, Altius, Fortius"—faster, higher, stronger. The Faster series, inspired by the classical heritage of the Olympic games, presented in a luxurious hardwood walnut ease, is already on sale and available. Each of the three coins features a different Roman god, representing and inspired by the classical heritage of the Olympic games. The 1 oz coin features Neptune, god of the sea, who will look after the sport of sailing. The ¼ oz coin features Diana, goddess of hunting, who will look after the sport of cyclists. The other coin represents Mercury, the god of speed, who will look after the athletes.

I end on one small point of concern about the Bill: the reference to a "kilogram". Although I support the Bill and its intentions, I would much prefer it to refer to 32.1507466 troy ounces, because gold is normally dealt with in troy ounces.

Tom Brake: Does the hon. Gentleman not agree that that is precisely why it will be a 1 kg coin?

Mr Nuttall: I do not accept that point. I see no reason why coins could not be minted in troy ounces, as gold bars are. There is no difficulty in selling gold bars.

With that one small point, I commend the Bill to the House and wish it well through the parliamentary process.

2.4 pm

The Economic Secretary to the Treasury (Justine Greening): I pay tribute to my hon. Friend the Member for Milton Keynes North (Mark Lancaster). I think it fair to say that he has definitely had his money's worth, for the Bill has plainly captured the imagination of the House.

In many respects, this is an historic day. Bills relating to coinage do not come along very often, but here we have a private Member's Bill that will change the way in which we can create coinage for our country. It is not complicated, it is not really controversial—except perhaps in the respect cited by my hon. Friend the Member for Bury North (Mr Nuttall) at the end of his speech—and hopefully it will not lead to division, but will receive universal support from all parties.

British coinage has a rich and colourful past, stretching back beyond the memories of even our most seasoned parliamentarians. The Royal Mint alone is nearly 1,100 years old. Having journeyed from its first home in the Tower of London to Tower Hill, it now resides in Llantrisant in Wales. Equally interesting are the many intricate laws that govern our currency, defining appearance, weight, size and scale. Each of those laws is important in its own right, and each is steeped in tradition dating back many centuries.

King Offa, the King of Mercia who was considered to be the greatest Anglo-Saxon ruler of the 8th century, was responsible for the establishment of a new currency based on the silver penny, which, while undergoing many design changes, was the standard coin of England for many centuries. In 1060 AD, a coin shaped like a clover was minted in England. The user could break off any of the four leaves and use them as separate pieces of currency. Perhaps more worryingly, until 1790 every woman convicted of counterfeiting gold or silver coin of the realm was sentenced to be drawn on a hurdle to the place of execution and there

"to be burned with fire till she was dead".

For reasons that have been made clear, protection of the coinage is paramount in the value of a nation's currency. Over the next few days, the Royal Mint will be conducting the Trial of the Pyx, with which Members may not be familiar. It dates back to 1282, and is used to verify that the gold, silver and cupro nickel coins made through the ages meet the required specifications, to guarantee that the Master of the Mint has not been stealing any of the state's precious metals, and—perhaps most relevant to our modern times—to ensure that Britain's coins satisfy the standards set by the Coinage Act 1971. Following all those centuries of tradition, the 1971 Act brought together and rationalised some of the ancient laws that I mentioned earlier. It was instrumental in the creation of the modern coinage system, because decimalisation began at that time, and it is the legislation on which we are seeking to build today.

While reinforcing the historic pageantry of the Trial of the Pyx, the 1971 Act also did away with some of the more unusual provisions that had developed over the decades. I am sure that Members are relieved to learn that, thanks to the Act, there is no longer a provision which allows, by means of proclamation and without any control by Parliament, the introduction of foreign coins to the currency of the United Kingdom. Although the Act allowed the Chancellor to remain Master of the Mint, he was no longer to be known as its Warden or Worker, those roles and titles having fallen into disuse. Before they did so, however, they were positions of significance which were held by some formidable historical figures.

For instance, Sir Isaac Newton served as both Master and Warden of the Mint. Apparently he treated his position as Warden with the utmost seriousness, going to great personal lengths to tackle the counterfeiting of coins following the Great Recoinage of 1696. He reportedly disguised himself to pursue the counterfeiters before personally interrogating them. I am sure that the present Master of the Mint would not hesitate to go to such

[Justine Greening]

lengths, and it is probably just as well that the Serious Organised Crime Agency shoulders that burden in modern times.

Newton also brought about the move from silver to the gold standard for pound coins—further evidence of the long, historical evolution of this country's coinage. As I have said, 1971 was the year of another great innovation, as that was the year in which the UK adopted a decimal currency, although Parliament first considered and rejected the idea nearly 150 years earlier. With the Olympics just around the corner, let us hope that we can make faster progress on the proposal in the Bill, which would allow the Royal Mint to play a part in the success of London 2012. The linkage of an historic institution with the chance for London and the UK to host an historic sporting event makes a huge amount of sense, as the Royal Mint's mission statement makes clear:

"The Royal Mint will be a national treasure, at the heart of every momentous personal occasion and coin collection".

By supporting the Bill, we support the Royal Mint in achieving that mission, helping to place it even closer to the heart of what will surely be a momentous national occasion while it continues to be a valuable asset to the British economy.

Speaking without any sense of irony, even in this challenging economic environment the Royal Mint has continued to make money for this country. For the fourth year running it has produced a substantial profit, and it continues to deliver on its five-year strategy. Its first responsibility is to make and distribute United Kingdom coins, blanks and official medals, but it also makes coins and medals for an average of 60 countries every year. In fact it makes coins for countries as diverse as Macau, Malawi, the Maldives, the Falkland Islands, Guernsey, Hong Kong, Iceland, Ireland, Jamaica, Jersey, Bahrain, Botswana and other countries all over the world. Last year, it was able to expand its international coin business against a backdrop of tough business conditions. Critically, it provided the Treasury as shareholder with a dividend of about £4 million.

I am proud to say that the Royal Mint is the first mint in the world to be awarded accreditation to the international social accountability standard SA8000, which is designed to ensure safe working conditions and fair management practices. Last year, after becoming Economic Secretary, I was keen to go to Llantrisant to meet the people who work at the Royal Mint and take a look at their production line, so I have seen in person how the Mint meets those high standards. It was fantastic to meet the management team and staff, and to have the chance to see the benefits of investment in the business. Like any normal person, I found it amazing to see so many freshly minted coins in huge boxes waiting to be packed and bagged up so that they could go into circulation. The machines that produced them were incredible—a bit like the reverse of a slot machine when people win—spitting them out at a fast pace. It was an incredible place to go, and I look forward to my next visit.

Christopher Pincher: The Minister mentioned new coins and their reverse. Out of deference to you, Mr Deputy Speaker, should we not consider putting the Welsh dragon on the back of our coins? We have just about every other symbol, and may well have some more as a result of the Olympic games, yet the Welsh dragon is missing from the reverse side of our coins. Will the Minister take up that issue?

Justine Greening: I am sure that the Royal Mint advisory committee will have listened to my hon. Friend's comments with interest. As the hon. Gentleman will be aware, the Royal Mint changes the themes of its coins from time to time, which is one of the interesting things about UK coinage. Doubtless, it will want to take on board his suggestion.

Today our focus is not only on the Mint's industrial and commercial achievements, but on its services to the promotion and celebration of British sport. From the 50p sports series, to the Celebration of Britain coins, to the Faster, Higher, Stronger gold sovereigns, the Royal Mint has a wide-ranging Olympic coin programme that caters for children, sports fans and professional coin collectors alike. We are concerned today with allowing the production of coins that will be of great interest to professional collectors and others.

As my hon. Friend the Member for Milton Keynes North said, very large coins have become a part of many countries' commemorative coin offerings. My hon. Friend the Member for Carshalton and Wallington (Tom Brake) expressed concern about a slot machine big enough to take a 1 kg coin. He would probably have even greater concerns for the Canadian Royal Mint, which produced a 100 kg fine gold coin with a face value of 1 million Canadian dollars. Different countries take different approaches. The French Monnaie de Paris produced a glamorous diamond-studded gold coin. Those coins are, of course, exclusive products for a limited number of customers. That does not mean that the proposal before us is not worth while.

Although the Bill that my hon. Friend the Member for Milton Keynes North is promoting is intended to help the Mint to create kilo coins for the 2012 Olympics, it will also allow coins of that size to be struck for other significant events in future. It is important to do all we can to create a level playing field on which the Royal Mint can compete, appealing to collectors worldwide, even at the top end of the market. However, the Olympic coin programme has been designed to ensure the widest possible levels of participation.

Coins of many denominations will be produced, providing an accessible opportunity for those just starting their collections to own a commemorative Olympic coin for as little as £2.99. That is one of the reasons why it was fantastic that "Blue Peter" was able to be part of the design process. I shall come to that in a moment. The non-numismatists will not miss out; we all, I hope, look forward to seeing Olympic coins in our pockets as they enter general circulation between now and 2012, and we will have them as a reminder of a fantastic event long after our games have finished.

I am happy to report that the Royal Mint has opened up the design process to a wider group than ever before. Design competitions have been organised by "Blue Peter". Designs have been submitted by countless secondary school children, art and design colleges, and members of the public. Although not all the results of the contests have been decided, I remind the House of one further competition winner—the Royal Mint. Following a competitive tender procedure, the Royal Mint has, as we

heard, secured the honour of producing our Olympic and Paralympic medals. That further cements the important relationship between the London 2012 Olympics and our world-class export mint.

I urge hon. Members across the House to take a look through the brochure that the Royal Mint has produced, showing the 50p coin collection that will be issued. There are some wonderful designs. My personal favourite is No. 12, the athletics 50p, which is the one designed by "Blue Peter" viewers. It is brilliant. It will make everybody who sees it and uses it over the coming years smile every time they fish it out of their wallet or purse.

We all want the 2012 games to be a resounding success. I, like my hon. Friend the Member for Milton Keynes North, have strong constituency ties to the Olympics. Those include potential Olympians such as Jessica Harper, who has been identified as a future champion by British Swimming's disability swimming section. Locally, Southfields underground station will be a key Olympic gateway for people to get to the All England club, where the Olympic tennis events are to be held. We are delighted in my constituency that last year it became the 60th station to be step-free. We will have the experience of one of the Olympic events just down the road from us. We are used to having Wimbledon every year, but June and July 2012 will be even busier than we are used to. I am delighted that during the rest of the year Southfields station will be accessible to all of my constituents in a way that it just was not before, and there have been further improvements to make it safer and easier to use.

The Olympics are fantastic for our country and we must make the most of the opportunities that they bring. The Bill is part of enabling us to do that—enabling the Royal Mint to be part of the process.

Christopher Pincher: We have heard a lot this afternoon about the Olympics and their being the driving reason for a 1 kg coin to be struck, but next year we will also enjoy the diamond jubilee of Her Majesty the Queen. Does my hon. Friend think that when we mint an Olympic coin, it would be appropriate to mint a similar coin in honour of Her Majesty's jubilee?

Justine Greening: My hon. Friend raises a very good point. I am sure that future events of national cultural or historical significance, such as the one that he describes, could be commemorated in this way. However, the final decision would be taken by Her Majesty the Queen and the Chancellor of the Exchequer, on the advice, as I have said, of the Royal Mint advisory committee on the design of coins, medals, seals and decorations.

The background to this issue is twofold. First, the Royal Mint has more than 50 years of experience in the international commemorative coin market, and secondly, historical data from previous Olympic games show that the kilogram coins are big sellers. In fact, 14,000 were sold at Sydney 2000 and 20,000 were sold at Beijing 2008, and we have high hopes that we will see that figure rise when the Royal Mint issues its coins for London 2012.

The Royal Mint regularly attends international seminars with other mints, numismatists, collectors and trade partners, from which it is clear that there is a sizeable international market for kilogram coins. As I said, they first featured in the international commemorative coin market in 1992. They tend to be attractive to numismatists across the world, not just due to their size and the high-profile artists who design them, but because ultimately they become works of art as well as an investment opportunity. During the past 10 years, more than 40,000 Olympic kilogram coins have been issued around the world and their ongoing popularity makes them an important addition to any international Mint's commemorative coin range.

Not only does the Bill give us the benefit of being able to continue what seems to be becoming a tradition by having an Olympic kilogram coin for London 2012, it will mean that we strengthen the Royal Mint's ability to compete further in the commemorative coin market. We all need to do our bit to make the 2012 Olympics a games that we can be proud of. The Royal Mint wants to do its bit, and that is why the Bill is necessary. It is good for the games, good for the Exchequer and good for the country too.

I repeat my thanks to my hon. Friend the Member for Milton Keynes North for promoting the Bill, which the Government wholeheartedly support, and I look forward to further discussions on it.

2.23 pm

Mark Lancaster: I start by thanking hon. Members on both sides of the House for their support for the Bill, and in particular my hon. Friend the Economic Secretary. I am grateful to the hon. Member for Bristol East (Kerry McCarthy), from the Opposition Benches, who also supported the Bill, although her comments about the Mayor were a touch cruel, not least since I have seen him out jogging recently and that weight problem is coming down rapidly.

I am afraid that I make no apologies to my hon. Friend the Member for Carshalton and Wallington (Tom Brake) for promoting the Bill. Milton Keynes is a fantastic sporting city. We were set to be a host city for the 2010 World cup, had we got it. We have a fantastic football team, a basketball team, an ice hockey team and the country's largest indoor snow dome. We are also home to the National Badminton Centre. Having worked very closely with many of my young people, I know that they are absolutely captivated by this Olympic programme and I make no apologies for doing my bit to ensure that there will be a strong Olympic legacy.

I have great sympathy with the point made by my hon. Friend the Member for Bury North (Mr Nuttall), but as the coin is set for international markets it is appropriate that it should be struck as a 1 kg coin. This is an uncontroversial and short Bill. I thank hon. Members for their support and commend it to the House.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Illegally Logged Timber (Prohibition of Import, Sale or Distribution) Bill

Second Reading

2.25 pm

Caroline Lucas (Brighton, Pavilion) (Green): I beg to move, That the Bill be now read a Second Time.

This Bill should be a Government Bill, but the coalition appear to have dropped their commitment to legislate on illegal timber. This week saw the launch of the international year of forests at the UN General Assembly in New York. It saddens me that instead of championing their promises on illegal timber, the coalition instead seem prepared to abandon them. Shortage of time prevents me from talking at length about the importance of our rain forests, with regard to biodiversity, their capacity to regulate our climate and mitigate climate change and their importance for indigenous people, but I will note that in the past 24 hours there has been news that extremely worrying droughts have been killing the Amazon rain forests, leading them to becoming a net emitter of CO_2 in 2005 and 2010.

I will explain a little of the background to the Bill. In 2009, the United States introduced the Lacey Act, which made it illegal for a person or company to import, export, transport, sell, receive, acquire or purchase timber or timber products that have been illegally taken, harvested, possessed, transported, sold or exported. The current Foreign Secretary promised voters before the general election that the Conservatives would do the same.

Christopher Pincher (Tamworth) (Con): Will the hon. Lady tell us how successful the Lacey Act has been in the two years since it was introduced?

Caroline Lucas: It is early days, but there is every indication that the Lacey Act has been successful. More to the point, it demonstrates that that kind of legislation is perfectly possible.

I want to talk about why the Conservatives promised that they would bring in a prohibition on the possession or import of illegally logged timber. Let me quote the following words:

"The earth's rain forests are not only one of the greatest wonders of the natural world; they are the green lungs of the planet. They are also the source of the forest resources that help to support the livelihoods of nearly 1 billion of the world's poorest people."—[*Official Report*, 16 March 2010; Vol. 507, c. 737.]

To those Members who were here last March and have good memories, those words might sound familiar: they were the opening words of the hon. Member for Bexhill and Battle (Gregory Barker), now the Minister of State at the Department of Energy and Climate Change, in a speech to support his ten-minute rule Bill—Illegally Logged Timber (Prohibition of Retail, Wholesale and Distribution)—just weeks before the general election. It was a Bill that I would have strongly supported. The reason I repeat his words is to highlight my dismay at the contradictions that are there for all to see of a party saying and promising one thing, but not acting once it has the power to do so.

Mr David Nuttall (Bury North) (Con): Will the hon. Lady give way?

Caroline Lucas: The hon. Gentleman has spoken an awful lot today, so I will not give way.

Christopher Pincher: Will the hon. Lady give way?

Caroline Lucas: No.

In his speech on his ten-minute rule Bill, the hon. Member for Bexhill and Battle did an excellent job of explaining why UK legislation was needed, stating that

"it is clear that action at European level will not go far enough".

Quite correctly, he went on to describe the problem with the EU legislation:

"It lacks an explicit overarching prohibition on illegal timber in the EU market... Loopholes are therefore created whereby all downstream companies—the majority of EU traders—are exempt from even the bare minimum of due diligence requirements. A prohibition on illegal timber needs to apply to all companies that make timber available to the market, whatever their position in the supply chain."—[*Official Report*, 16 March 2010; Vol. 507, c. 738.]

Iain Stewart (Milton Keynes South) (Con): Will the hon. Lady give way?

Caroline Lucas: I will not, because of lack of time.

That is all good stuff, and I of course agree with it. A commitment to just such a prohibition was repeated on page 17 of the coalition agreement, which states that the coalition will bring forward

"Measures to make the import or possession of illegally logged timber a criminal offence".

Given the critical need to act now and the Government's clear commitment to go further than the EU, I was alarmed to receive a letter last July from a DEFRA Minister stating that

"we will not be pursuing further UK legislative action at this stage".

Indeed, another Back Bencher showed me a similar letter that went further by dropping "at this stage" and bluntly stating that

"we will not be pursuing further UK legislative action."

Christopher Pincher: Will the hon. Lady—

2.30 pm

The Deputy Speaker interrupted the business (Standing Order No. 11(2)).

Bill to be read a Second time on Friday 10 June.

Business without Debate

CONSUMER CREDIT (REGULATION AND ADVICE) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 14 October.

PARLIAMENTARY STANDARDS (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 11 February.

Don and Anita Horton

Motion made, and Question proposed, That this House do now adjourn.—*(James Duddridge.)*

2.30 pm

Robert Halfon (Harlow) (Con): New MPs see many cases of human suffering, and people daily write to and contact new MPs with all kinds of difficult stories, but of all the cases I have come across since being elected last year, this is the one in which I see the most injustice.

I am hugely grateful to the Speaker for allowing this debate, as I have cared about and campaigned on the issue for many months. Today, I want to recount a story of two utterly decent, salt-of-the-earth individuals, who do the right thing, obey the law, have worked hard, saved hard all their lives and suffered unnecessarily—pointlessly—because of the actions of state agencies. Don and Anita Horton have not just suffered; they have experienced an enormous injustice, which has caused misery to themselves and to their immediate family and neighbours. Worst of all, their suffering has been completely in vain.

Anita Horton was employed by the Benefits Agency from February 1994 until her retirement in May 1999, aged 61. She returned to work for Jobcentre Plus in April 2001 until April 2003, when she was 65. She was a dedicated public servant with an honourable record of helping people to return to work. During her employment, she became aware that an individual was claiming disability benefits, and there was strong evidence to suggest that the individual's claim was fraudulent, so she reported it to the fraud team. She was told that, "due to staff problems", an investigation would not be possible.

The individual was witnessed on several occasions carrying heavy objects, such as bed bases and bags of cement. He was often seen climbing nimbly up ladders to trim tall trees, and he reportedly worked as a cash-in-hand labourer and gardener. The Hortons felt that this threw some doubt on his disability benefit claims, so as citizens they felt obliged to report this to the Jobcentre Plus fraud team.

On 14 March 2006, Don and Anita Horton and many neighbours gave witness statements to Paul Carlisle, who then spent several days making video recordings and interviewing the individual concerned. As a consequence, however, personal details on the statements by Don and Anita were passed without their permission to the suspect individual. Those statements were made in good faith, and Don and Anita had thought that they would be protected by the Data Protection Act 1998.

During the period when the individual was in receipt of benefits—it is believed that he continues to receive some—there are anecdotal reports of him purchasing a four-bedroom house and two new cars, of significant refurbishment work on his house, such as new central heating, and of him boasting that his bank balance was £148,000. Evidence of this is held by Essex police. After this, the individual began to walk occasionally with a stick. However, he has been regularly seen in the town centre carrying several heavy shopping bags without a stick, climbing across ditches in the local park, and, of course, continuing to work in a manual job.

For the past four years—that is, 48 months—Don and Anita, and their neighbours, have been continually harassed, intimidated and, in some cases, physically assaulted by the said individual. Their cars have been damaged. They have been constantly verbally abused, and many attempts have been made to break their windows or damage their property. Don and Anita were provided with personal alarms by the police following regular threats of violence, and even death threats, by the individual.

It took three years of this ordeal before a court date was set—29 June 2009. The individual was due to appear at Harlow magistrates court, but the witness care office informed Don and Anita that the individual was too ill to attend. A new hearing was set for 19 October 2009, but this in turn was subsequently postponed. On the same day that the individual was "too ill" to attend the magistrates court—29 June 2009—it transpired that he was in Harlow county court with his wife issuing a summons against Mr Horton for the sum of £5,000, citing "loss of benefit", "using the police as harassment" and a range of other claims that did not hold water. As a result, Don and Anita, who are an elderly couple, had to employ a solicitor and a barrister to defend themselves. This has cost them a considerable amount of money—nearly £8,000 to date, which is a significant portion of their life savings.

But it gets worse. On 5 October 2009, Don and Anita were in Harlow town centre and saw the individual coming towards them. He appeared physically very fit, was walking without a stick or crutches, and was carrying many heavy bags of shopping. Paul Carlisle, the fraud investigator, had previously suggested that photographic evidence would be crucial in court. However, when Don tried to take a photo, both the individual and his wife attacked him and pushed him to the ground. They pushed his face into the concrete and dug their knees into Mr Horton's back to try to keep him crushed into the ground. There were many witnesses, and the individual was subsequently arrested.

The following day, however, the police came and arrested Mr Don Horton instead. The individual had alleged while in custody that Mr Horton had been harassing him. Don's health had been seriously deteriorating all this time, and his daughter had to accompany him to the police station. They then spent several hours waiting in a cold police cell. A duty solicitor attended and a recorded interview was made. Don's daughter had to stay by his side for many hours before the official wheels turned and the case was dismissed as nonsense.

Of course, no further action was taken, but the incident was symptomatic of this case: the public justice system was malfunctioning and failing to protect the most vulnerable and the good people who do the right thing. In the meantime, the stress and strain had a severe impact on Don's health from which he is still recovering. I ask you, Mr Deputy Speaker, what kind of country we are living in when the criminal justice system can be abused in such a way. The state exists, at its most basic level, to fight crime, to protect vulnerable and good people, and to uphold the rule of law; that is why we pay our taxes. What is so deeply depressing about this case is that time and again, whether from long delays, incompetence, or sheer calculating indifference, the state has failed to do its most basic job.

Today, Mr and Mrs Horton have withdrawn as witnesses out of despair that the court case will never happen. The individual is still free and is reportedly still claiming disability benefit. Mr and Mrs Horton are still living in fear.

[Robert Halfon]

Since I was elected as MP for Harlow and the surrounding villages, I have tried unsuccessfully to raise this matter with the authorities. On the crucial point of data protection, I wrote to the Information Commissioner's Office setting out the years of torment, fear and suffering that have afflicted Mr and Mrs Horton. On 13 August 2010, the ICO's head of complaints resolution, Mr Laing, replied. He was kind enough to inform me in detail about the

"eight principles of good information handling".

He wrote that under

"section 42 of the Data Protection Act, an individual can ask the Commissioner to conduct an assessment as to whether it is likely or unlikely that an organisation has complied with the Data Protection Act.

If we consider it is unlikely that an organisation has complied with the Data Protection Act, our aim is to ensure that the organisation understands its obligations and takes any steps necessary to help ensure compliance, either in that particular case, or in the future".

He went on to state:

"Whilst it appears that the Data Protection Act may have been breached in this case, we do not have enough information to make a formal assessment of this matter.

If your constituents would like us to assess it, they should complete and return the complaints form at the back of the enclosed leaflet".

That is more PC Plod than Batman and Robin. After more than four years of hitting a brick wall, what confidence should Mr and Mrs Horton have that completing and returning a complaints form on the back of a leaflet will lead to anything other than more bureaucracy and delay?

I feel a sense of frustration in this case in particular because when I have tried to deal with it by writing to the agencies concerned, all I have received is the inhuman and cold response of Sir Humphrey at his most dull, lethargic and indifferent. Soon after receiving the letter, I spoke to the Information Commissioner himself, Mr Christopher Graham, in my office and raised the case with him, but nothing has happened. Quite simply, what is the point of having an Information Commissioner's Office to police the Data Protection Act if the response is worthy of the Circumlocution Office in Little Dorrit by Charles Dickens? To quote from that book:

"The Circumlocution Office was (as everybody knows without being told) the most important Department under Government... If another Gunpowder Plot had been discovered half an hour before the lighting of the match, nobody would have been justified in saving the parliament until there had been half a score of boards, half a bushel of minutes, several sacks of official memoranda, and a family-vault full of ungrammatical correspondence, on the part of the Circumlocution Office... Whatever was required to be done, the Circumlocution Office was beforehand with all the public departments in the art of perceiving—HOW NOT TO DO IT."

Under different circumstances, the sloth of public agencies might be cause for a wry joke or mere annoyance, but in this case the state stood idly by for four years while an elderly couple were systematically persecuted. Don and Anita have been forced to spend a substantial chunk of their life savings to defend themselves against baseless legal claims from the individual in question. What is the result? Nothing.

There are three problems in this case. First, Don and Anita's identities were released by Jobcentre Plus. Secondly, the judicial system has not brought the individual to justice. There are multi-agency difficulties in due process, but we must have a justice system that is concerned with justice—victims should be protected and criminals prosecuted. Thirdly, had Don and Anita gone to trial, their identities would have been released anyway because of our rules on witness anonymity.

We must protect decent people who do the right thing. That applies not just to Mr and Mrs Horton, but to others in the future. There is no compensation in sight for the Hortons. However, the issue is not with what they are technically entitled to if they had the strength and finance to fight tooth and nail through every court in Europe; it is that nobody seems interested or is bothered to help. What is the point of coming to Parliament and making laws if when people do the right thing they suffer? What is the point of laws at all if the good and decent suffer because of incompetence and bureaucracy? We should know that the character of the state is revealed not in its ambitions but in its actions, not in its policy but in its implementation. The characters of Jobcentre Plus and the courts system have been woeful.

I know that Mr and Mrs Horton are in the House today and will want to hear the Minister's reply. Before I sit down, I should add that I have been very grateful for the Minister's concern in this matter, particularly in my discussions with him. I also very much appreciate the fact that he is going to meet Mr and Mrs Horton after the debate.

2.45 pm

The Parliamentary Under-Secretary of State for Justice (Mr Crispin Blunt): I am extremely grateful to my hon. Friend the Member for Harlow (Robert Halfon) for the way in which he has helped me and my officials prepare for the debate, so that I can give him as constructive an answer and advice as possible. I understand the restrictions that apply to my dealing with an individual case, but his constituents are extremely well served by the way in which he has raised their case. They have an extremely doughty champion acting on their behalf.

My hon. Friend raised a number of issues, including criminal evidence, the handling of witness statements made for the purposes of criminal proceedings and the protection of witnesses from intimidation and harassment. I will respond to those points in my capacity as the Minister responsible for criminal justice issues. He also mentioned the process followed by the Department for Work and Pensions in relation to the investigation of benefit fraud and expressed concern about the processes adopted by the Information Commissioner in dealing with allegations of the mishandling of data. I will deal with those two points later.

It is not appropriate for me, as a Minister, to comment on any particular case, but I wish to make it absolutely clear that I wholly share my hon. Friend's concern that those who perform a public duty by informing on people who commit benefit fraud or any offence should not be subjected to harassment. Society depends on courageous people who witness crime coming forward, reporting it and giving evidence. Witnesses are vital to our criminal justice system, and it is crucial that they receive appropriate support when they give evidence in criminal proceedings to ensure that justice is done.

However, justice also requires us to ensure that the defendant has a fair trial. When someone gives evidence about an alleged offence, they may be asked to make a signed witness statement, which will contain their name and address. Once the statement has been made, what happens to it depends on whether anyone is charged with an offence and prosecuted in the courts. I understand that when taking a witness statement, DWP investigators explain to those giving it that they may be asked or required to give evidence in court. The signed statement includes wording to that effect.

If no charge is brought, the matter will go no further, but if someone is charged, the prosecutor may wish to use the witness's evidence as part of the case against the accused. In those circumstances, the prosecutor must give copies of all the prosecution evidence to the defence in advance of the trial. Any witness statements will have the address of the witness removed, but not their name. That reflects the general long-standing principle of English common law that defendants have the right to know the identity of their accusers and to challenge the evidence against them.

The Government take the issue of witness intimidation very seriously. It is a criminal offence under section 51 of the Criminal Justice and Public Order Act 1994, punishable on conviction in the Crown court with a maximum penalty of five years' imprisonment, or a fine, or both. On conviction in a magistrates court, the maximum penalty is six months' imprisonment, or a fine, or both.

It is also an offence under the Protection from Harassment Act 1997 for someone to pursue a course of conduct that amounts to harassment of another, and which he knows, or ought to know, amounts to that. The offence is punishable on conviction by a maximum of six months' imprisonment or a fine not exceeding level 5 on the standard scale. There is also a separate, more serious offence that is committed when the offender pursues a course of conduct that he knows, or ought to know, will cause the victim to fear violence. That carries a maximum penalty of five years' imprisonment, or a fine, or both. A court sentencing someone convicted of either offence may also impose a restraining order prohibiting specified forms of behaviour such as deliberate communication with the victim, and breach of a restraining order is a criminal offence also punishable by up to five years' imprisonment.

However, a civil remedy, which enables a victim of harassment to seek an injunction against the person harassing them, is also available under the Act. That can be obtained without securing a conviction for harassment. Investigation of allegations of intimidation or harassment is, of course, a matter for the police. Any decision to prosecute is the responsibility of the Crown Prosecution Service.

When witnesses fear intimidation and harassment, they can be supported in several other ways before and during the trial. Before the trial, intimidation should be reported to the police, who can provide appropriate advice and support. Police forces can arrange for a witness and their family to relocate temporarily or permanently to a different neighbourhood in the area through the local housing authority. When witnesses remain in their homes, several target-hardening measures are available to improve home and personal security. They include additional locks, alarms, sensors, fire-proof letter boxes, panic alarms, CCTV cameras and mobile phones.

In addition to the criminal offences that I have mentioned, bail conditions can be imposed to prevent the accused from approaching any witness. In appropriate cases, police forces can apply to the court to grant an injunction or an antisocial behaviour order against anyone intimidating a witness.

We have invested in a programme of training that is available to all officers, and the victim's code and the witness charter require all agencies to identify vulnerable and intimidated witnesses, and to work together to provide them with an enhanced service. If the witness is asked to give evidence orally in court, and he or she considers that he or she needs assistance when giving oral evidence because they are in fear of testifying or in distress, the prosecutor may apply to the court before the trial for special measures to enable them to give their best evidence.

Special measures include giving evidence by live link from outside the courtroom or giving evidence with a screen round the witness box. Both measures prevent the witness from viewing the defendant. In cases of intimidation, an application may also be made for the public gallery to be cleared so that witnesses can give evidence in private. Decisions on special measures are a matter for the court, after taking the witness's views into account.

When a witness fears that they will be harassed and intimidated in the court building, if the court is notified in advance of the particular needs of the victim or witness, it will endeavour to meet those needs wherever physically possible—for example, by arranging for them to enter the court by a different entrance from the public, and providing separate seating inside and outside the courtroom.

If certain criteria set out in the Coroners and Justice Act 2009 are met, the court may permit a witness to give oral evidence anonymously. The defendant retains the right to cross-examine the witness to test their evidence, but the identity of the witness is concealed. The legislation imposes three strict conditions before a witness anonymity order may be made. They are: that the measures are necessary to protect the safety of the witness or another person; to prevent serious damage to property or real harm to the public interest; and that they are consistent with a fair trial, and an interests of justice test.

Additionally, before making an order, the court is required to take into consideration the general right of a defendant to know the identity of a witness. Although the legislation does not stipulate that witness anonymity is an "exceptional measure", in practice it is considered to be so. The Court of Appeal in the case of R *v.* Mayers explicitly refers to

"the exceptional circumstances permitted by the Act."

I hope that my hon. Friend can see that the Ministry of Justice takes witness protection very seriously. I appreciate that the measures that I have described did not come into play, because the case that he described did not proceed to trial. However, I hope that it gives his constituents some reassurance to know that witness intimidation and witness protection is taken seriously and that we have significant powers to try to provide that protection.

Robert Halfon: I thank my hon. Friend for his remarks so far. However, will he confirm on the record that he agrees that it was wrong that the details of my constituents, who had reported what was going on, were subsequently handed to the accused?

Mr Blunt: That is a probing intervention, so let me deal with issues that are related to that. The Department for Work and Pensions operates a scheme whereby members of the public can report benefit fraud anonymously. That can be done online or by telephoning the national benefit fraud hotline.

The Department for Work and Pensions does not disclose the details of people who report fraud but make it clear that they wish to remain anonymous. They are treated as informants and their identities will be revealed only if the court orders disclosure. I appreciate my hon. Friend's concern for his constituents. They feel that they have suffered as a consequence of their willingness to perform a public duty. I am very sorry if they feel that they have experienced profound difficulties and understand their concerns about the way in which they believe that the Department for Work and Pensions has dealt with their case. Of course, this disappointment will be redoubled by the fact that Mrs Horton was a former employee.

If anyone is not satisfied with how Jobcentre Plus has dealt with their case, it is open to them to contact the independent case examiner for a review of the case. The independent case examiner acts as an independent referee for people who feel that a number of Government agencies or businesses have not treated them fairly or dealt with complaints in a satisfactory manner. These agencies or businesses include Jobcentre Plus. If the independent case examiner accepts the complaint for action, and if it cannot be addressed without full examination, an investigation undertakes a review of the paper evidence provided by the agency or the business concerned. The officer then considers whether the complaint can be settled through mediation. If mediation is not appropriate, a report is submitted to the independent case examiner, who will consider whether there is any evidence of maladministration. If there is evidence of maladministration and the agency or business concerned did not offer redress before the referral to the examiner, the complaint will be upheld.

Complainants must approach the independent case examiner within six months of receiving a final reply to their complaint from the agency or business they consider to be unsatisfactory. In the case of my hon. Friend's constituents, I understand that the final letter was sent by the chief executive of Jobcentre Plus on 31 August last year. This letter explained that the independent case examiner offers a free, impartial resolution service and gave details of how it may be contacted. Therefore, his constituents have until the end of the month to initiate the complaints procedure, should they wish to do so. If a complaint is made, and should the examiner find that there was maladministration by Jobcentre Plus that caused them hardship or suffering, I understand that the agency can consider making an ex gratia payment.

My hon. Friend also complained about how the Information Commissioner's Office responded to allegations of breaches of data protection legislation and about how information about his constituents was handled by Jobcentre Plus. The Government take the protection of personal data and the effectiveness of public bodies, such as the ICO, very seriously. However, the ICO is an independent public body set up to uphold information rights in the public interest. Because of its independence, it would be inappropriate for me, on behalf of the Government, to comment on the ICO's handling of any particular case.

If having exhausted the ICO case review and his own service complaints procedure, however, a member of the public remains dissatisfied with the ICO's handling of a case, the parliamentary and health service ombudsman has responsibility for undertaking independent investigations into complaints about Government Departments and a range of public bodies that include the ICO. It is open to my hon. Friend and his constituents, therefore, to pursue his concerns about the ICO with the ombudsman. Complaints procedures may appear formal, but they provide a way for members of the public to have their complaints against the actions of public organisations and agencies reviewed by public bodies.

I hope that my hon. Friend's constituents will feel that they are still able to pursue their complaints through those routes, and that those opportunities will be of some comfort and use to them. I understand from the difficulties that his constituents have faced; the heart of anyone hearing those stories will obviously go out to them. However, they are fortunate enough to enjoy the good advice of my hon. Friend, and I am quite sure that, whatever course of action he and they deem appropriate, he will pursue the matter with his customary vigour and skill.

Question put and agreed to.

2.58 pm

House adjourned.

Westminster Hall

Tuesday 25 January 2011

[MR ANDREW TURNER *in the Chair*]

Library Services

Motion made, and Question proposed, That the sitting be now adjourned.—(*Mr Vaizey.*)

9.30 am

Lisa Nandy (Wigan) (Lab): I initiated the debate because libraries are under threat. In the Wigan borough where I live, the library service faces a £1.1 million reduction and the 18 libraries in the borough all consequently have an uncertain future. Nationally the picture is even bleaker. An estimated 400 libraries have closed or are under threat of closure, and some predict that by the time the process is finished the number will run into the thousands. I am pleased that so many hon. Members are here for the debate, but I suspect that it is because many of them are also concerned about the libraries in their area. That should trouble us all.

The Government appear to have abdicated all responsibility for the matter. Time and again I have listened to Ministers, when questioned by hon. Members on both sides of the House, saying that local authorities bear legal responsibility for library provision. The Minister pledged, in the debate on the subject obtained by the hon. Member for North Swindon (Justin Tomlinson), that he would

"stand shoulder to shoulder with local authorities"—[*Official Report,* 7 September 2010; Vol. 515, c. 72WH.]

to protect library services. He must have been as surprised as I was to see that my local authority took a hit of £55 million in the spending settlement, front-loaded, thus allowing no time to find the Government's much lauded efficiency savings. As a result the local authority is in no position to protect anything but the most essential services, such as child protection and care for the elderly. Urging local authorities to take responsibility for libraries while slashing their budgets is condemning libraries to closure. To suggest otherwise is disingenuous.

Mel Stride (Central Devon) (Con): I welcome the fact that the hon. Lady has secured the debate, because like her I believe that libraries are extremely important. Does she applaud the Government, as I do, for the future libraries programme? It is considering the future of libraries, involving communities more in how they should be shaped, whether through the use of technology, as community centres or by facilitating transactions and access to local services. Does she see that as a positive thing that the Government are doing as a commitment to libraries?

Lisa Nandy: I do not welcome the future libraries programme when the libraries in my area have, it seems, no future, because of the incredible reduction in the council budget. I shall talk later about ways in which libraries can be improved and about work that is happening. However, I urge the hon. Gentleman to understand that libraries cost money to run and cannot simply be run by volunteers on thin air.

We all know the value of libraries. That is not in dispute. It is clear that they have a particular impact for the disadvantaged. Catch22, a charity that works with young people, sent me in advance of the debate compelling evidence of the value of libraries for young homeless people in my Wigan constituency, particularly in relation to the internet. One in five people still does not have access to the internet. At a time when six people are chasing every job in Wigan, taking away internet access does not just feel like a kick in the teeth—it is a kick in the teeth. Catch22 sent me the story of Sam, aged 20, who said:

"My life is made more difficult by not having access to the internet or a PC...It seems that everything now requires the internet; often other organisations tell me to look online to find information. This includes the Job Centre, Housing Benefit, choice based lettings, Sure Start, health information. On occasions when I have not had enough phone credit to contact an agency by phone, they have suggested that I email them. If I can't afford credit for my phone what makes them think I can afford the internet? I do not see how I will be able to save up to buy a PC in the foreseeable future as it is difficult to manage on benefits. I do want to better myself, but it is all a struggle."

Mr Andrew Smith (Oxford East) (Lab): I warmly congratulate my hon. Friend on securing this enormously important debate. Further to her last point, does she agree that libraries are a sanctuary and haven for many young people where they can do their homework when they do not have the right conditions at home and the school library is not open? To deprive them of that, especially in the most disadvantaged communities, as Oxfordshire county council proposes to do with its closure of libraries in Blackbird Leys and Littlemore, as well as in Bury Knowle and Old Marston, is a disgrace.

Lisa Nandy: I agree with my right hon. Friend and know, having worked with many disadvantaged young people in the Oxford area, that people often make the mistake of thinking that Oxford is an entirely affluent area when in fact there are significant pockets of disadvantage. I am sure that libraries are a huge asset to those young people in trying to better themselves.

Libraries also obviously provide clear benefits for older people, children and single parents, but they are not merely havens for those groups. They are the heart and soul of communities. I shall not bore hon. Members with my love of libraries, which I expect is the same as theirs, forged since early childhood. I shall not explain how I have kept libraries going in my area by paying fines over years; they can rest assured that I have done my bit. The women from Standish library who are running a campaign to save it came to my surgery and explained eloquently why it is the heart and soul of the community and how it brings people together. They told me that removing the library would be like ripping the heart out of their community. That is why campaigns are springing up around the country and it is why the people of this country fought so hard in the first place for free public libraries to be established. We should pause to recognise what a struggle that was.

The Public Libraries Act 1850 was much disputed. It was a huge victory and marked a clear step forward in the advancement of working people. It was part of an era of enlightenment and social progress. It is a bitter irony that the Liberals fought for those libraries against their Tory counterparts, and that today we witness the spectacle of a Tory-Liberal coalition presiding over the unravelling of that landmark legislation.

[Lisa Nandy]

In the north-west, that history could not be more important. Manchester central reference library was the first free public library to be established under the Act. Salford colleagues would probably remind me that Salford managed to establish a free public library under an earlier museums Act, but Manchester's was the first free public library to be funded by public subscription under the 1850 Act.

Opening the library, the Conservative politician Sir Edward Bulwer-Lytton said:

"I call it an arsenal for books are weapons whether for war or self defence."

Incidentally, Charles Dickens also attended the opening of that library, and talked passionately about the advancement of working people, and the step that had been taken. It was in Chethams around the corner, the first free library in the English-speaking world, that Marx and Engels researched the "Communist Manifesto". I appreciate that that argument might not appeal to the Minister, but it is important to note that the history of working struggle was rooted in one of the first free libraries in the world. Free public libraries marked a huge advance towards a better, more enlightened society. We have continued to build on that legislation and progress ever since.

Now the Government seem hell-bent on unravelling 160 years of progress, but I want to tell Ministers that the evidence suggests that once those libraries are gone, they are gone for ever. Ministers should think carefully before they take such a step.

Guto Bebb (Aberconwy) (Con): I congratulate the hon. Lady on securing an important debate, although I am slightly disappointed that it has immediately become very partisan. In Aberconwy the library service faces cuts, but they have been happening since 2006. Indeed, the local authority has commented on a severe lack of investment in the past 10 years. How does she square that with her comments about the current proposals, or with her accusations against the coalition?

Lisa Nandy: I am sorry that the hon. Gentleman is upset that my remarks are partisan, but this is politics, and people make political choices, which is what I want to point out.

I am sure that many hon. Members and the Minister will want to point out that library use has declined and that some library services have declined as a result.

Mr Andrew Smith: To return to the point made by the hon. Member for Aberconwy (Guto Bebb), does my hon. Friend agree that the strength of the huge community campaign that is growing up around the country—more than 300 people met in Oxford town hall last week—is that it is non-partisan in the sense that the campaign supporters include many Liberal Democrats, Conservatives, Greens and others, as well as Labour supporters, who are appalled at what the coalition Government are doing?

Lisa Nandy: That is also the case in my constituency. Those people are all united in a desire to protect their library services. They do not care whether a Conservative, Liberal or Labour Government are doing this; they value their libraries and want to see them protected.

The argument that library use has declined has been much overstated. Last year, 83 million children's books were issued by libraries across the country, just 10% fewer than a decade earlier. If we consider the pressures that libraries are under—from cheaper books, online texts and different forms of borrowing—it is not their decline that is remarkable but their very survival.

In my Wigan constituency, library usage is up by a phenomenal 17% in six years as a result of the investment programme under the stewardship of Rodney Hill, the director of our culture and leisure trust, who himself used to be a librarian and who understands only too well the value of libraries.

Alison McGovern (Wirral South) (Lab): I congratulate my hon. Friend on securing this important debate. On the question of library usage, is she surprised to learn that at Bromborough and Eastham libraries in my constituency, the reading groups have waiting lists?

Lisa Nandy: I am delighted to learn that, if not surprised. I am sure that the people of Bromborough are extremely well read and passionate about reading. I certainly do not want to say otherwise.

User satisfaction with libraries in my constituency stands at an all-time high of 91%. That shows that libraries can be an enormous success and that they can go from strength to strength.

Yvonne Fovargue (Makerfield) (Lab): I congratulate my hon. Friend on securing this debate. In the borough of Wigan, which I also represent, there have been concerted campaigns, such as Bookstart, to encourage people to use libraries. People are already taking ownership of their libraries. When the residents of Ashton heard that their library was under threat, they almost immediately set up an online petition to prevent it from being taken away.

Lisa Nandy: I am aware of the campaign that my hon. Friend has mentioned, and she is a passionate supporter of it.

I gave the example of my Wigan borough, because it shows that libraries can continue to improve and to be relevant, but they need investment. In researching this debate, I was pleased to see that web hits on libraries nationally are up by 4%, which shows that libraries are starting to adapt to changing usage and that they can be a success. I say to the Minister that library usage is undeniably changing, so by all means let us debate the future and the improvement of such services, but let us not pretend that libraries can be run on thin air and that this Government are presiding over anything other than the unravelling of one of the great steps forward in civilised society.

I have heard a great deal of talk about volunteers, and the hon. Member for Central Devon (Mel Stride) has asked me about them. Coming from the charity sector, I am well aware of the value of volunteers, but we cannot run a service on volunteers alone. We need infrastructure and paid staff. To suggest that volunteers can take the place of skilled librarians is an insult and not something with which I want to be associated.

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): Does the hon. Lady have a specific reference to someone saying that volunteers should take the place of librarians?

Lisa Nandy: I have heard a great deal of talk in this debate about the use of volunteers. I am interested to know whether other hon. Members share my sentiment about the use of volunteers. I presume that the Minister is dissociating himself from the view, and I am grateful to him for that, because it is insulting to skilled librarians to suggest that they can be replaced simply by volunteers.

Mr Andrew Smith: I know that in the Minister's own county, the leadership has suggested that volunteers could provide services that were previously provided by librarians.

Lisa Nandy: I thank my right hon. Friend for that. I expect that the Minister will go back and have strong words with his colleagues as a result of this conversation.

Mr Vaizey *indicated dissent.*

Lisa Nandy: In conclusion, this is a test of whether this Government value not just libraries but communities. If the Minister takes this step, there will be no way back for generations. I urge him to ensure that libraries are protected. If he will not, I urge communities to make themselves heard on the national day of action on 5 February.

9.45 am

Justin Tomlinson (North Swindon) (Con): I congratulate the hon. Member for Wigan (Lisa Nandy) on securing this 90-minute debate. She referred to the fact that earlier in the parliamentary Session, I had a Westminster Hall debate on the future provision of library services. I am delighted to see so many hon. Members here today to debate this important subject.

Libraries face challenging times. First, the funding of library services is not a statutory requirement. There are certain rules, criteria and aspirations that councils should change, but when facing challenging budgets and the need to make efficiency savings or cuts, they often see libraries as a relatively soft target. When I visited libraries across the country in my role as lead member for libraries on Swindon borough council, I found all too often that officers and councillors did not use the libraries themselves and so did not appreciate their value to local communities.

We must acknowledge falling usage. Five years ago, 48% of adults visited libraries compared with 39.4% now. Such a fall is against a backdrop of increased reading, particularly among children, so the decline in visits is a worrying trend. Plenty of surveys have been commissioned and much money has been spent on asking people how they would like to see their library service improved rather than on actually improving it. The surveys have shown that the public want good choice, convenient opening hours and a pleasant environment. That sounds obvious, but all too often local authorities do not embrace such factors. I will briefly touch on each of them and on how local authorities can embrace the new opportunities that present themselves.

Let me first turn to good choice. When I was preparing for my Westminster Hall debate, the fact that staggered me the most was that only 7.5% of a library budget is spent on book stock. Too much is spent on the corporate structure, different layers of managers and the bureaucracy of categorising and labelling books. We do not have a universal system. Imagine Amazon getting different towns to categorise the same books; it is madness. That money should be released back into the local libraries. It should be given to local library managers, who understand their own individual communities, to spend on books to get people back in. We would not see a commercial bookshop spending only 7.5% of its turnover on books. We should also allow residents to have a greater say on the books that are stocked. When we opened our new £10 million central library—unlike many public sector projects, I am pleased to say that it was delivered on time and on budget—we allowed local residents to choose the book stock. Unsurprisingly, those same residents came to take out those books after it opened.

As for convenient opening hours, libraries must embrace the mentality of the retail sector. We opened the new North Swindon library on a Sunday. It is next to one of the largest Asda/Wal-Marts in the country and so Sunday is one of its busiest days. Moreover, the new central library is open on a Sunday. A community library should always match the footfall of the local area. Self-service equipment inside new facilities that are not traditional libraries also provides a good opportunity to improve services. For example, I have visited leisure centres and community centres that have installed self-service equipment. Such facilities offer an extension of the mobile library service project in the sense that they are taking books out to the community. Such facilities should not necessarily replace traditional libraries in an area, but if there is no library and there is not enough money to provide one, they can help.

Self-service equipment often costs only £5,000. If a mobile library service is already touring in similar areas, it does not take too much to replenish the stock. All too often, existing community libraries are open for limited hours—in many cases it can be between eight or 10 hours—so volunteers can step in and help to ensure that that facility is open for longer. Users who rely on and appreciate the expertise and skills of the traditional core staff can still go to the library in the hours that already exist. If volunteers wish to open beyond those core hours, then more power to them, and such action is certainly something that the big society should embrace.

On the importance of having a pleasant environment, another challenge for libraries is that as much development has taken place in this country over the years, all too often libraries have been overlooked for section 106 contributions. If hon. Members look back at the history of many of their community libraries, they will struggle to remember the last time that they received a lick of paint or a modernisation. Too many libraries are not meeting customer expectations. I am delighted that in my constituency section 106 money was used to rebuild the Highworth library and it has just been announced that Moredon community library will have a major refurbishment on the back of a 350-house development just down the road. Those are the types of opportunities that local authorities should embrace and we as politicians should lobby to ensure that libraries are considered seriously where section 106 money is available.

We should also look to combine facilities. There is a very big national campaign for libraries. The right hon. Member for Oxford East (Mr Smith) talked about the 300 people who came to an event at Oxford town hall. We have had similar experiences in my constituency. There was a threat of closure to the Old Town library and my hon. Friend the Minister came to visit Swindon

[Justin Tomlinson]

during the campaign against that threat. The Old Town library was a very poor facility with limited opening hours and falling usage, but the local community passionately supported it. When I was still the lead member on the council for libraries, I challenged that community to get behind their local library and boy, they did so in droves. In the end, a compromise—

Alison McGovern: The hon. Gentleman is making a compelling case for a good future for libraries, and I am pleased to hear about the changes that he has described. What impact does he feel the current financial settlement that local authorities are dealing with, including the speed and depth of the reduction in their funding, will have on the ability of people doing the job that he used to do—being a lead member on the local council for libraries—to deliver the type of vision that he is outlining?

Justin Tomlinson: The obvious answer is that it is a challenge, not only for libraries but for any service. However, we are in the reality that we are—we have to tackle the public deficit. I do not want to get all political, but I think that any debate that we attend in Westminster Hall will show that all services face similar pressures. That is why libraries must look in particular at their corporate structures and at the fact that they are only spending 7.5% of their budget on book stock. It does not take a brain surgeon to realise that money is not being efficiently spent right across library services, so there is still a challenge ahead.

I was talking about the threat of closure to the Old Town library in Swindon. This is what we did. About 400 metres up the road, we had a relatively new and refurbished arts centre, called the Old Town arts centre, with a 200-seat theatre in wonderful condition. So we moved the Old Town library into the arts centre, and we transferred the core 18 hours of service that already existed in the old library, so that if people liked that traditional service they could go along to the arts centre in those core times. However, there was a much larger and more pleasant library environment at the arts centre. Also, because the arts centre was manned for 40 hours a week with box office staff, the self-service library machines could be left on and if anybody had a problem using them the box office staff could step in and say, "This is how you use this facility." So the opening times for the library went from 18 to 40 hours. In addition, every time that there is an evening show at the arts centre, the theatregoers, if they are so inclined, can use the self-service machine, so sometimes we are looking at an extension of opening times from 18 hours to 60 hours.

Obviously, the usage of that library has increased—by 24%—and membership has increased by 193%. The arts centre café had kept opening and closing, because it did not have sufficient footfall in the daytime to make it viable, but it is now viable and the arts centre itself is now selling more tickets, because people come in to the library to take out a book of their choice, they see that the show that evening has not sold out and that it is their particular choice, and so they go and buy a ticket for it. It is an absolute win-win situation, and in these times of challenging costs the council has saved itself quite a lot of money, because it is paying for one building rather than two.

Furthermore, when we built the new Central library in Swindon we made sure that the opening hours were tied up with the footfall, which hon. Members have already discussed. Again, we ensured that there was a café environment at the heart of the library, so that people did not just pop in, grab their book and leave. Instead, people spend time using the café and the library as an enjoyable environment. We also created the library so that it could be opened in part, because I have seen some fantastic new flagship central libraries being opened across the country that have then proved to be simply too expensive to open for long hours. I went to one that had cost £15 million but it was only open for four hours on a Saturday in a town centre, which was dreadful. So, within the new Central library in Swindon an express zone has been built, so that at the non-peak times a chunk of the library can remain open, matching the available budget. Also, within the library there are areas for cultural events to take place, such as readings by authors and poets, and meetings involving different groups, because libraries should be a focal point for local communities.

To summarise now, I will talk about some of the opportunities for libraries. Many people have already mentioned volunteers, and they have an important role to play. It is right to say that volunteers cannot simply replace all traditional library staff. However, the best model is one where existing core library staff are transferred, so that those people who rely on an excellent library service in core hours can still go at those times. Nevertheless, we should not then lock the library doors for the rest of the week. We should empower local communities to take over the running of local libraries at those times.

Yvonne Fovargue: Does the hon. Gentleman agree that his view of libraries, where the librarians are actually in the library and simply giving out information and books, is rather narrow? I went to an excellent event run by local librarians for young children, where the librarians showed children books. The enthusiasm of those children and the professionalism of the library staff were unparalleled. Those children were then motivated by the visit of those librarians to go to their local libraries.

Justin Tomlinson: The hon. Lady must have spectacular mind-reading abilities, because that is my very next point. By empowering local librarians to run their local libraries and to participate in their local communities, libraries should be looking beyond their traditional facilities and urging their staff to go out into their local communities to encourage people, particularly young children, to embrace the wonderful services and facilities that are available in the libraries themselves. Part of that process involves reducing the corporate structure and trusting local librarians to understand their communities. We all represent very different communities with different challenges, and library services should be tailored on a localised library-by-library basis to suit local demands. So I agree 100% with the hon. Lady's comments.

The final point about volunteers is that where there is no alternative but to close a library—I am not advocating the closure of libraries, but when there is a "last chance saloon" situation—there are examples of volunteers stepping in and local authorities should be willing, at the very least, to say, "We will hand you that facility." A good example of that process in the South Swindon constituency is the Walcot library. The local council decided that it was no longer viable, in part because the

Parks library, which was not too far down the road, had been refurbished on the back of section 106 money. However, the local community took over the Walcot library, and the library is now partly a charity shop, partly a community facility and partly a library, which is far better than having no library service at all.

I have already talked about extending self-service, both into non-core library buildings and within library buildings. I repeat that there is a need to refocus library budgets on book stock. The fact that only 7.5% of library budgets is currently being spent on book stock is simply unacceptable.

Moreover, as politicians we are always talking about empowering local people, but if we are going to empower local people we need to pass on local information and engage with local residents, and in turn local residents need to register their views. Where better to do all that than in a local community library? People can pop in, look at the notice board, see the latest grand scheme that elected politicians or communities have put forward and register their comments. There are many examples of such schemes. In my constituency, there is the "Connecting People, Connecting Places" scheme, which the council has introduced. Although the council is trying to push that scheme, it must understand that the best way to deliver it is through libraries.

Another point is that where there are facilities that are only open for eight or 10 hours, surely we should open them up to other community groups, whether they are youth clubs or different local organisations that can use the building in which the facilities are situated. The council has already paid the rent and the rates, and these days most bookshelves are on wheels. Consequently, if a youth club wants to attend a community facility in the evening, it does not take much to move the bookshelves to the edges of a room and the youth club can take on that facility and use it. It is a crying shame that local authorities and local council tax payers are paying for these wonderful buildings to be shut for the vast majority of the week.

My final point is that it is essential that local authorities do not sleepwalk into a situation where our much-loved libraries experience a steady and continual decline. I pay tribute to my hon. Friend the Minister, because he is a passionate advocate of libraries. We just need to convince all local authorities of all political parties that they need to make libraries a priority.

Mr Andrew Turner (in the Chair): I think that there are eight Members who are trying to catch my eye to speak. I am looking at their having about five minutes each to speak.

9.58 am

Glenda Jackson (Hampstead and Kilburn) (Lab): I am grateful for the opportunity to speak, Mr. Turner. I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing this important debate and on making such a cracking speech, which encapsulated the central arguments that are facing every single constituency in this country at the moment where there are people who are passionately concerned about the possible loss of their local library. I equally congratulate the hon. Member for North Swindon (Justin Tomlinson) on a splendid speech, detailing—in no small degree—the kinds of changes that have already taken place within my constituency and other constituencies to improve our library services, so that they actively engage with the local community and become part of it in ways that are both imaginative and innovative.

However, the bottom line is that none of those improvements can be developed and none of our libraries can advance without some financial support, and this issue is going to spread beyond libraries. People in my constituency are concerned about not only the threat to local libraries, but the threat of closure of sports facilities. This is an example of what the Government have touted as central and essential to the big society: localism. Yet, when one looks at the local reaction, constituents' opinions are being ignored. My constituents are being ignored because my local authority simply does not have the money, however much the amount needed might be reduced by the engagement of volunteers and more imaginative opening hours.

As an aside, many of the libraries in my constituency are housed in historic buildings. Kensal Rise library, which is under serious threat, began part of its collection with a donation by Mark Twain of his own books. That gives an idea of how old the building is, and as we all know, older buildings are much more difficult to maintain.

There are legal issues involved in the opening and the public use of libraries, and it is not possible to provide that use without some financial support. It is fantasy on the part of the Government to sit there and say, "Well, this is a choice for local authorities. They have to balance their budgets. We've given them money in real terms," when the Government know absolutely that the authorities have not been given money in real terms to support the services that are central to local communities.

In my constituency, thank heavens there has been an election and the political colour of the council has changed. For the five years up to 2010, the budget, which was very generously donated to local authorities by the Labour Government, was balanced by a Lib Dem-Conservative council in my constituency. Well, if Liberal Democrats and Conservatives are supposedly much better at balancing their budgets than a Labour Government are, where has the money suddenly gone? Why are all the community facilities upon which constituencies such as mine will increasingly depend, under threat?

There is an irony in the Government's failure to think their own policies through. We are entering an era of something called welfare to work, and while no one argues with the pressing need to get people off welfare and into work, the Department for Work and Pensions says that it expects the majority of first contacts with those who are looking for work to be via the internet. My hon. Friend pointed out that that already happens in her constituency, as it does in mine. For young people who are looking for work, are very confused by the benefits system and have no computer access of their own, the local library is the first port of call, because the equipment and the information are there, and highly skilled and highly trained people can help them. With the best will in the world, in many instances volunteers will not be able to provide the multifarious layers of expertise and information that our libraries are capable of furnishing at the moment. I am not going to stand here and pretend that this is very often the case, but it is certainly the case at the moment that we value things

[Glenda Jackson]

only when we think we are going to lose them, and when it comes to things such as local libraries, this has certainly been the case for many years. People suddenly think, "My goodness, we might be losing this but it's so valuable for our community."

It has already been touched on that libraries provide services for the whole age range, from the very young to the very old. I remember that when I was a child we were not allowed to speak in a public library—it was a silent place—and it is fascinating to see that now there are special areas for children. Children are having stories read to them, and we have heard from the hon. Gentleman about local poetry readings. That is very big in my constituency, because I am fortunate to have a lot of poets there—quite apart from authors—who are very well recognised around the world. The central issue here is that if the Government are genuine in their talk of a big society, of localism and of passing power down to local people to make the decisions, they have to acknowledge that at the moment their stringent slashing of funding to local authorities—

Mel Stride: I realise our economic inheritance has been skated around very diplomatically in this debate, but it now needs to be raised. I understand that the hon. Lady's argument is that there should be more funding and resources for libraries. We inherited a debt the interest alone on which is £43 billion a year—more than we spend on the education budget. For there to be more resources, would the hon. Lady increase the deficit, or cut expenditure elsewhere—in which case where? Or would she raise taxes and, if so, which ones?

Glenda Jackson: First, I would nail this gothic novel that runs through the Conservative-Lib Dem Government and has been expounded by all their adherents, that our present economic difficulties are the exclusive responsibility of the previous Labour Government, who spent excessively. Nothing could be further from the truth. The whole world went through a major economic crisis because the present Government's friends—the bankers, whom I have not noticed taking any major cuts under this Government—threw the whole world's economic structure into parlous peril.

What I am talking about is what this Government purport to be a basic principle: localism, in which it is the voice of local people that is overwhelmingly heard. The point that I was making before I gave way to the hon. Gentleman was that that voice cannot be heard if central Government stifle it and put a gag around it, as they are doing. It is an offence to us all to pretend to local people that they can have the same level of the services upon which they depend when there are massive cuts in the financial support for those services. It is equally an insult to all our intelligences to presuppose that volunteers—the charitable sector—will be able to take up the slack and continue to provide the services.

In concert with my hon. Friend, who was fortunate to secure this debate, it seems to me that the number of right hon. and hon. Members hoping to participate today is an indication of how important the issue is throughout the country, and the Government really should think about it again.

10.7 am

Annette Brooke (Mid Dorset and North Poole) (LD): I, too, congratulate the hon. Member for Wigan (Lisa Nandy), and I agree entirely that libraries are, and should be, the heart and soul of our communities. I also agree with the point that volunteers provide an add-on, and we have to take on board the differences between our communities which mean that the services that volunteers can contribute will differ greatly from one community to another.

I have a distinct sense of déjà vu. Just four years ago I spoke in the House, to a Labour Minister at that time, about Dorset county council's plans to close 13 libraries. The 13 libraries were saved after a long battle, with reduced opening hours at most libraries in the county, and new friends groups set up and existing ones strengthened. Usage at all those libraries has gone up over the four years. The current county council proposal is that funding will cease for up to 20 communities where there is currently a library—20 out of 34 libraries. Originally, those communities were asked to come up with a business plan, by May this year, on how the community could run the library, and yet very few details have been provided on what, if anything, the county council will contribute. A book fund is, of course, vital, and if there is no centralised book fund can a community actually say that it has a library? I do not think so.

Given the scale of things, Dorset county council has had a relatively good settlement. It is still not good for the county, but these are local choices. The council has made a decision to spend £1 million on a new library in Dorchester, which cannot be accessed easily from places in my community that might lose their libraries. Interestingly, in one of its reports, Dorset library service states that its vision is of a

"dynamic library service fostering the joy of reading, learning and a love of knowledge to enhance lives and build communities".

Could we possibly disagree with that? No, we could not, but I hope that most of us would disagree with the closure of 20 libraries. Dorset county council's own equality impact assessment talks about the impact on older people and children, and on people in rural communities. It also talks about providing mobile library services, but they are not a real substitute where children's gaining a joy of reading and learning is concerned. Equally, the council's report accepts that there is a risk that the reconfigured service will be deemed not to comply with the Public Libraries and Museums Act 1964, which requires library authorities to provide a comprehensive and efficient service. I ask the Minister to monitor closely what is happening in Dorset. We have been here before, and we had the support of the previous Minister.

In my constituency, it is proposed to seize the funding of four libraries. I use all of them for my surgeries, so I declare an interest. For the most part, they are in quite large communities rather than small villages; one is in a large village, and the others are for the most part in built-up urban areas. Those libraries are used, and there are plenty of potential users. Two of the libraries are now co-located with children's centres, which is excellent. Parents come in to see the health visitor and then sign up their baby for a library membership card. We need those services and have been working on them for the

past four years, but now libraries are the first thing to be cut, because that is seen as an easy option, even though they are important for our children.

In the limited time available, I will concentrate on children. Our Government are committed to raising children's reading standards. The introduction of a standardised test is being discussed, although I have some doubts whether test results should be published. We want to equip our children with the skills that they need for later life. Surely we must build on the use of libraries. The Bookstart scheme was saved recently. I know that authors made many representations. I say this to them: a child gets a book at 11. It is great that one book will go into a household without many books, but children must have libraries to go with it. Libraries are the complement to the Bookstart scheme, so I hope that those authors will come along to Dorset to argue for the survival of our libraries.

Dorset has a high proportion of older people, and the importance of libraries to older people cannot be overemphasised. Libraries allow them to get out of the house and engage in activities. The number of book and reading clubs has grown enormously, which is excellent. As has been said, there are lots of innovative ways to get more people into libraries, and communities are willing to play their part, but that part must be reasonable and must be backed not by expensive offices at county hall but by skilled librarians and other staff. I want efficiency and joint use, and I want to work with the excellent friends groups within the county council to retain a dynamic library service, but we need a bit of help from the Minister, whom I commend for his commitment to the country's library service.

10.13 am

Joan Ruddock (Lewisham, Deptford) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on obtaining this extremely important debate and on how she presented her case. I will not repeat everything that has been said about the value of libraries, but I agree with the hon. Member for Mid Dorset and North Poole (Annette Brooke), particularly about libraries' value to older people—they help get them out of the house—and to children. In my rather deprived constituency, libraries are critical to the future of children and young people and help supplement their education.

Lewisham council is in a somewhat different position from some of the councils discussed today. My hon. Friend the Member for Lewisham East (Heidi Alexander), who, like me, has supported saving our libraries, would be here if she were not on a Standing Committee. Lewisham council has 12 libraries, which it has worked hard to reorganise and bring up to date. From 2005-06 to 2009-10, Lewisham invested £6.5 million in capital expenditure on libraries. It also entered into partnerships with Croydon and Bromley councils in order to negotiate jointly new e-book and e-audiobook services. The consequences have been increased library use, increased opening hours and general huge success.

In a constant drive for efficiency, Lewisham has also developed new models. We acquired three additional community libraries over those years. One, at the Pepys resource centre in my constituency, is run by ECO Computer Systems in partnership with Hyde Housing and is supported by local volunteers and, crucially, by the council's library and information service, which supports new facilities by providing up-to-date stock, delivering professional advice, organising activities and promotions, training partner organisations and offering technical services such as access to online resources.

Lewisham was a beacon Labour council that innovated, widened participation and met the needs of the most vulnerable in the community while reducing costs wherever possible. However, the Tory-led Government have changed all that. Last autumn, like so many other councils, Lewisham was forced to propose closing five libraries as part of the programme of cuts imposed by central Government. Understandably, that led to public outcry with protests and marches as Lewisham council undertook a wide-ranging consultation on how best to meet the Government's demands. As in all other local authorities in the country, most of the budget was devoted to social care, so it was obvious that our libraries could not be shielded. My bottom line was that we must keep the buildings for community use. The last thing we need in Deptford is another betting shop.

The council agreed to consult further and draw on the experience of the three new libraries. The community response has been amazing. People are determined to keep their library service. Local Labour councillors and community activists are working with people who have never before stepped forward to find a solution to the problem.

Geoffrey Clifton-Brown (The Cotswolds) (Con): My library service faces severe cuts; eight libraries will be largely turned over to volunteers. The right hon. Lady touches on something that my hon. Friend the Member for North Swindon (Justin Tomlinson) mentioned. Does she not agree that it is incumbent on every local authority to consider its entire property estate to see whether it can combine services in one building in order to reduce maintenance and running costs?

Joan Ruddock: Of course. There is no doubt about it. One of the new libraries that I mentioned does exactly that. My council, under a Labour Government, did everything as Labour dictated in order to make the best use of community facilities and become as efficient as possible. That is why we were awarded beacon status.

The community members coming forward are ambitious. They want longer opening hours and further innovations. I am confident that New Cross and Crofton Park libraries in my constituency will be saved. They will certainly have my continued support. The council has received 10 expressions of interest from organisations wishing to take on one or more of the library buildings and run library services from them. It seems like a great success in the making, but we must remember that front-line library jobs will be lost, perhaps forever. Most importantly, community effort can be maintained only with council support and council tax payers' money. The installation of self-issue technology will be essential to the operation of the libraries, and that is likely to cost about £59,000 per building. The council's outreach unit will probably be required to contribute more than 100 hours a week to servicing the outreach offer.

The cost of Lewisham's service was already the lowest in inner London, and the cuts will bring it down to just over £14 per resident. Thanks to the Labour Government's

[Joan Ruddock]

investment, a new library is due to open in Deptford later this year. But what lies ahead? The cuts being imposed by this Government on Lewisham are already destroying other services. The Deptford job centre has been closed and a second employment advice service, Opening Doors, faces closure as a direct result of the cuts in Government grant. As my hon. Friends the Members for Wigan and for Hampstead and Kilburn (Glenda Jackson) have pointed out, it is the young and the unemployed in particular who need library services if they are ever to stand a chance of getting a job and a future career in the present climate.

I am proud of the way in which my community is endeavouring to meet the challenge of library closures, and I hope that the new ways of working will help us meet other challenges, too. However, let no one be in any doubt that this is not a panacea. None of us is going to become a volunteer brain surgeon very soon, and I doubt and would be surprised if many of us would volunteer to change incontinence pads. Whatever we may learn and/or achieve with our libraries in Lewisham, we will still face a Government who are bent on destroying our communities and their prospects.

10.20 am

Guto Bebb (Aberconwy) (Con): It is a pleasure to serve under your chairmanship, Mr Turner. I will be brief. I note that I am the only representative of a Welsh constituency present. I am surprised by the stories that Opposition Members have been telling about the land of milk and honey that existed in this country before 2010. The library service in my constituency of Aberconwy in north Wales has been under constant threat of closure for the past five or six years, a period in which we have had a Labour-led Assembly Government and a local authority led by either the Labour party or Plaid Cymru in coalition with Labour.

My point about partisanship is important, because the campaigns undertaken in my constituency to protect library services have been led not by political parties, but by communities. They are concerned about the future of the library service because they understand, as does the rest of Wales, how important libraries are. After all, not many countries can claim to have a pop group such as the Manic Street Preachers, who sang about libraries giving us power. Indeed, that lyric is now in place above Cardiff city library, so we take our libraries seriously in Wales. The libraries in Wales grew from the slate quarrymen of north Wales and the miners of south Wales—they grew from a feeling of society. I am astounded at the lack of confidence expressed by some hon. Members about the ability of our communities to contribute to the protection of library services.

My constituency of Aberconwy faces a threat to many rural libraries. There is no doubt that people in those communities would much rather ensure that the future of those libraries is fully funded and fully staffed from the local authority. However, we also understand that, over the past five years, despite repeated attempts to persuade the local authority and the Welsh Assembly to fund those libraries properly, that has not happened. We therefore face a challenge, and that challenge is to make the most of the resources available to us. I am confident that, if the rural communities in my constituency —places such as Llanrwst and towns such as Llanfairfechan, which are pretty far from the main, central library in Llandudno—are forced to choose, they will work as a community to ensure that they protect the libraries. After all, even though the Welsh Assembly has said that the local library service in Conwy is underperforming, it is still a fact that, in an area with a population of less than 100,000, there were 500,000 visits to libraries in Conwy last year and more than 500,000 books were lent. Most importantly, there were 90,000 hours of internet use.

The communities that I represent fully understand that, despite five or six years of campaigning against the decisions made by a Labour-led local authority and Assembly, they will have to continue to fight in order to try to ensure a prosperous future for their libraries.

Julian Smith (Skipton and Ripon) (Con): I know from my experience in north Yorkshire that local communities are coming together and are excited about the opportunities provided by changes to library use. What does my hon. Friend have to say about the opportunities for libraries in rural areas to become hubs for internet usage by their local communities? It is a good opportunity for libraries to grow the range of their services.

Guto Bebb: I concur with those comments. I recently attended a town council meeting in Llanfairfechan that was held to try to ensure a future for the local library. One of the key issues at stake is that the internet services in that library are heavily used by local people who would not otherwise have access to the internet. Therefore, the provision of other services in libraries, and combining them with those offered by the local authority, offer a way forward. We thoroughly appreciate that libraries have to move forward.

I am surprised that this debate has been so partisan. Ultimately, we have seen an ongoing threat to libraries over a long period. If that was not the case in England, it was definitely the case in Wales. We, as communities, have to take responsibility for the services that we want. We should try to ensure that funding continues to be provided to ensure that we have a selection that appeals to people. We need a professionally led service, but the comments that have been made about the bureaucracy, the different labelling, the central cost and so on need to be taken on board.

Ultimately, however, the big difference between the coalition in Westminster and the Labour-led coalition in Cardiff is simple. The Minister has stated time and again that local authorities and communities should make decisions about the future of library services. That is in complete contrast with the Labour-led Welsh Assembly, which has basically told Conwy council to modernise—in Wales, modernise means "close things"—or it will take over the service. I commend the approach of our coalition Government and can only say that people in my constituency would be delighted if the Welsh Assembly Government took the same approach.

10.26 am

Alison McGovern (Wirral South) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing this debate. I have been struck by the remarks of all the hon. Members who have spoken so

far about how passionate we are about library services. In some sense, there is a shared vision that library services are part of our future and not a thing of the past.

A recent ten-minute rule Bill of mine argued that the 1964 Act, which covers library services, should be extended to cover related cultural services as well. That set down a marker and said that not only are cultural services important, but that the Act—limited though it is, and which protects library services—is important and that we should all stand up for it. During that debate, I explained that part of the reason why I am so passionate about libraries is that libraries were not always free in Liverpool. My grandfather used to steal books from Liverpool central library, but I have checked with my dad and apparently he put them back. It is good to use this opportunity to restore the reputation of the McGovern family.

I have two brief points that build on those that have already been made, and I hope that the Minister will respond to them. My first point is on the situation in which local authorities find themselves and how they might go about supporting libraries in difficult times. My second is on the role of the professional librarian and how we can support them and ask them to go further in what they do.

On local authorities, it was great to hear the comments of the hon. Member for North Swindon (Justin Tomlinson). I did not know that he was previously a leading member, but it is always important to hear from those who have been local authority members. I was a local councillor in the London borough of Southwark, and I learned a great deal from that experience. One thing that I learned is that the best way to make decisions is to consult widely, listen, marshal a great deal of research and think about a vision for the service that fits the needs of the locality. Never mind what central Government say, in dealing with a community, a town centre area or similar, we must ask what they need. We need to think hard about that, which is what the best local authorities do.

Unfortunately, local authorities face a crisis. If we think of local government as another Whitehall Department, it is the one that is under the most financial pressure, because it is being asked to make the deepest cuts and to deliver them in the shortest possible time. How will any leading member of a local authority have the time to do the work that I have just described in terms of understanding the picture of a locality and talking to community groups, especially in areas in which there is poverty? Those of us who have worked with communities that suffer great poverty know that one has to expend a lot of time getting to know people and understanding the issues. I am sure that that experience cuts across the Chamber.

That all takes time, effort and resources, which are three things that local authorities do not have. Local authorities are being forced to look at libraries from the wrong end of the policy telescope. Instead of working out how to deliver a long-term vision and to stack up the financial business plan behind that—either from co-location or from involving the private or voluntary sector—they are being forced to cut first and deal with a vision for the service after. Local authorities are being forced to say, "What can we possibly afford? Okay, well that is what we have to give people." They do not really have a choice here. As much as it is wonderful to hear comments about the different ways in which we can do things—I absolutely support that—we must be real about the situation that local authorities are in.

I accept the comments made by my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), who is very experienced at working with local authorities. We cannot say that local authorities are in position to do the kind of visionary job that we want them to when they are facing such severe cuts. One thing that the Government have done regarding the role of professional librarians, for which I give them credit, is to re-establish that it is important for politicians to assert trust in the professional. They have talked about trusting GPs and teachers, and they are right to do so. So let us start talking about trusting librarians.

Anne Marie Morris (Newton Abbot) (Con): Does the hon. Lady agree that although the professional librarian is clearly a very important part of the make-up of the library service, the volunteer also plays a considerable part? As a result of reading the transcript of the debate, I would not want volunteers to feel undervalued because, at the end of the day, there are 17,000 people across the library service who give their free time and spend 500,000 million hours every year working in the service. Without them, some of the smaller rural libraries in particular would not survive. In Ipplepen in my part of the world, the old library has been closed and, without those volunteers, we would not be considering moving back to a new library resource in the local village hall.

Alison McGovern: Of course, volunteers are important. In fact, last Friday in my constituency, I met a volunteer archivist from Bromborough who does an amazing job. However, if she were here, she would say that, without a library service underpinning that work, it is impossible for volunteers to get the platform on which they need to stand to do the job they want to do. It is chutzpah to imagine that we can substitute volunteers for professionals rather than seeing them as an addition, as the hon. Member for Mid Dorset and North Poole (Annette Brooke) has said. That is what most volunteers themselves think that they ought to be. For example, the charity Volunteer Reading Help makes great play of the fact that it provides additional services to schools.

I shall move on, so that I do not take up too much time. We need to trust the professional librarian. In such difficult times, local authorities ought to listen to librarians. In my experience, the librarians that service my constituency in the areas of Heswall, Bromborough, Eastham and Bebington have been incredibly creative in getting other services—for example, the university of the third age—to use their buildings. The poet laureate, Carol Ann Duffy, has not once but twice visited Bromborough to encourage a love of poetry and reading. We want to support that kind of creativity but, at the end of the day, that takes a budget. I have already made comments about that. We need to say to local authorities that where they are looking to provide a better service, they must trust the professional librarians they have and encourage them to support volunteers. They should maintain the vision of the public library that hon. Members here today hold so dear and enable those professional librarians to do the job that they are qualified to do.

10.34 am

Anne Marie Morris (Newton Abbot) (Con): I will be brief, because I am sure that you will want to start the winding-up speeches fairly soon, Mr Turner. This has been a valuable and interesting debate. We all feel passionately about the future of the library service in all its different guises. The situation that we are discussing is as much an opportunity as a threat. We could debate for hours why we are in the economic climate in which we find ourselves, but the reality is that we are where we are, and we need to find a way forward.

We need to recognise that how people use libraries has begun to change and consider what we can do to respond. A sensible way forward is to try to identify those buildings, including the library, that are used for a number of community purposes. Such an approach would mean that we are more likely to keep library facilities than lose them. If we simply looked at the status quo, libraries would close day in and day out.

However, another challenge that the Minister might like to consider is that of e-books, which have been briefly mentioned. The trend towards the use of e-books is increasing. Amazon says—admittedly, we are talking about buying rather than borrowing—that it sells twice as many e-books as hard copy books. What are the implications of that for the library service? What innovative ideas can it come up with that will enable people to access those sorts of books? If we think about the matter, it is a no-brainer. There are 1 million free books on Kindle, which we ought to try to make available to local people. Kindle has another 500,000 books available to buy. The cost of a Kindle book is usually 50% or two thirds less than the hard copy. The issue is a challenge that we must face head on.

I am pleased that Devon county council has been chosen as one of the pilot areas for the future libraries programme, and it is healthy to start looking at what we should be doing on that. We need to draw a distinction between what we do in our towns and what we do in our villages. In Newton Abbot, I am lucky that £2.8 million has been spent on a state-of-the-art library. However, it is not only a library, because it will also provide adult learning and an opportunity for adults who want to know how to spend their care budgets to talk to a professional about how they can do that. Such an approach will provide an opportunity for children to link together and for individuals to take what looking at books is about to an educational level rather than them simply having an informative role. That is where the opportunity is.

As I have said, I will not make a long contribution. First, we need to look at the better use of buildings, which I am pleased to see we are doing. In rural communities, having one or two buildings rather than five or six—if an area is lucky enough to have that number—is the right way forward. Secondly, we need to consider how to move libraries from being knowledge based, which was where they started, to being education and community based. Thirdly, we need to consider the challenge of technology and how libraries can address that.

10.37 am

Mr Iain Wright (Hartlepool) (Lab): It is an honour to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing an important debate. In the time I have, I want to focus on a number of points relating to Hartlepool's library provision. In our town, we are fortunate to have well used and much loved library provision. We have the central library in York road, Owton Manor, Foggy Furze, Seaton Carew, West View, Throston and the Headland, as well as mobile libraries serving communities that do not have ready access to fixed branch library provision. We also have a home library service that provides for people aged over 80 or with a disability to be regularly given books based upon their knowledge and preferences.

I want to focus on two things. First—this has been touched on already—libraries make an enormous contribution to instilling a love of learning among young people through working in partnership with nurseries, schools, Sure Start and children's centres. Fifteen years ago, Hartlepool children were well below the national average in GCSE attainment, but they are now well above the national average. The high quality provision that we have in libraries, coupled with investment from the previous Government, has played an important part in that.

At the other end of the age spectrum, good quality library provision can save money with regard to social care and NHS services for the older population. For example, the home library service involves people going into homes and talking to people, which reduces an older person's sense of isolation. Such a service can pre-empt problems and provide early intervention, so that more expensive and traumatic treatments from the NHS and social care are avoided.

I do not blame local politicians for the choices that will have to be made; I blame central Government. Hartlepool borough council faces cuts of 30% in its £90 million budget in the next four years. When people are dealing with social care budgets or child protection, it is easy to see library provision as a soft target. As I have said, I blame central Government, and I ask the Minister to think again. Foggy Furze library in my constituency is due to close next month, and the merging of Throston library with the community centre has also been proposed. We face big cuts to a high-quality and much-loved service. I ask the Minister to use his powers in government to ensure that libraries are helped as much as possible and that Hartlepool's excellent service is both retained and enhanced.

10.40 am

Gloria De Piero (Ashfield) (Lab): I congratulate my hon. Friend the Member for Wigan (Lisa Nandy) on securing this important and timely debate. Her fears for the future of the nation's libraries are shared throughout the country by people of all parties and none, as my right hon. Friend the Member for Oxford East (Mr Smith) pointed out when talking about the protests in his constituency. Libraries are popular: my hon. Friend the Member for Hartlepool (Mr Wright) discussed the popularity of libraries in his constituency, and my hon. Friend the Member for Wirral South (Alison McGovern) talked about waiting lists for reading groups. The hon. Member for Mid Dorset and North Poole (Annette Brooke) also said that library usage was up in her constituency.

I shall start my winding-up speech by focusing on the social progress and advancement for working people that libraries provide. That was alluded to by my hon.

Friend the Member for Wigan and by the hon. Member for Aberconwy (Guto Bebb). People have spoken passionately in favour of libraries because they facilitate social mobility. The Victorian pioneers who began the public library service were not a bunch of crazed public spenders. Many were hard-nosed men of industry who realised just how vital it was for both the economic and the moral health of their communities that ordinary men and women had the opportunity to learn from the great books and journals that were accessible for the first time to those without means. They gave that opportunity for self-improvement to so many.

That was a public value, which was given legal recognition by the Public Libraries and Museums Act 1964. That declared, as plain as can be:

"It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof".

Whose Government passed that legislation? None other than that of the 14th Earl of Home, better known as the Conservative Prime Minister Alec Douglas-Home. That was the age of one-nation conservatism, when even the Tory party believed in something real called society.

Let us talk about the people whom libraries serve. They serve millions of mums, such as those in my constituency who tell me that their youngsters cannot get through the contents of the local library's children's section fast enough. These mums are desperate to give their kids a head start through good reading skills and an understanding of the world gained through books.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): We have heard about libraries as a leisure activity for people in their later years and as places housing computers, but does my hon. Friend agree that there are still communities for whom libraries are a window for their young people on the world of books and learning? I was brought up in a household in which there was one book—the "Encyclopaedia Britannica". When I had just turned five, my mother took me to the library. She did not read, but she understood the importance of reading. We need to preserve libraries for communities in our cities and rural areas, where libraries give children their first introduction to the world of books and learning.

Gloria De Piero: My hon. Friend makes a good point about social progress, social mobility and advancement. Some of the mums whom I speak to do not have much money, so without easy access to a local library, their kids simply would not have books at home. Some of the mums are better off, but even those on middle incomes tell me that they cannot afford to keep up with their kids' appetite for new books. The Minister can no doubt pop on to Amazon with his gold card whenever he likes, but that option is not open to millions of our fellow citizens, especially at a time when the cuts and tax hikes of the Government of whom he is a member are hitting family budgets throughout the land.

It is not just mums who are served by libraries. They also serve people seeking work and those looking for a better job. Jobseekers have told me that many big employers now advertise online only. As my hon. Friend the Member for Wigan has said, more than one in four households are not online, and the lowest earners are the least likely to have internet access at home. Without access to the internet at their local library, they would struggle to find out about vacancies.

Those seeking new skills rely on their libraries, too. The actor Chris Gascoyne, who is from my constituency of Ashfield and is now a leading light in "Coronation Street", told me quite plainly that much of the reason why he has become a successful actor is that he fell in love with the library in Sutton in Ashfield. If people slash the library, they are slashing routes into the world of work. How much of a false economy is that?

I have not mentioned the battalions of school kids who rely on their local library to do homework, to study for exams and to help to guarantee their future success, as alluded to by my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock). No one is saying that the library service cannot modernise and that it should not continually look for ways of achieving more bang for its buck. However, I am sometimes confused when I read speeches given by the Minister, because whenever he is in front of an audience that cares about libraries, he says that he will

"do my best to be a champion for libraries as your minister."

He says that he will

"keep emphasising the importance of libraries".

He also says:

"Libraries offer opportunities and sustainable solutions—they are not a service that is simply an easy cut in tough times."

I do not know whether those words will reassure the hon. Member for North Swindon (Justin Tomlinson) or whether he shares my fear that they are warm words, which, as always, are charmingly spoken but which mean absolutely nothing when they come up against the reality of the pernicious local government settlement that is threatening libraries up and down the country. News is coming in from all over the country of threats to libraries. According to media reports, more than 400 libraries and 50-plus mobile libraries are currently under threat or have recently closed, and those are only the figures from half the local authorities that have done their settlements. I apologise for not having exact figures, but despite my repeated pleas to the Minister in written questions, he has not given me an exact figure.

Where libraries are not closing, they are reducing the service. Where I live in Nottinghamshire, the Conservatives reign supreme on the county council. They propose to reduce the budget for buying new books from £1.6 million to just £400,000—a cut of 75%. The average age of a book in a Nottinghamshire library will go from 5.4 years to 21.5 years, so when people sit in Notting Hill discussing the Booker shortlist, it will be two decades before those titles reach Sutton in Ashfield. What is the reason for that? The Conservative leader of the county council has summed it up. It is

"to meet the challenges of the financial settlement for local government".

That is echoed by councils throughout the country, which many hon. Members have referred to during the debate.

If any part of my constituency reminds the world of the power of literature, it is the town of Eastwood, where my home is and where the adolescent D. H. Lawrence would borrow books on Thursday evenings from the lending library at the Mechanics institute, yet even there, where there is positive proof of the power of

[Gloria De Piero]

social mobility, the Conservative council is proposing to cut library opening hours by 40%. I feel sorry for budding Lawrences among today's residents of Eastwood.

The Minister often says, "Not me, guv."—he might put it more elegantly than that. He has written to every local authority, reminding them of their statutory duty on libraries, but he knows that such a letter is not worth the paper that it is printed on when his ministerial colleagues are ensuring that local councils simply do not have the cash to maintain, never mind improve, their library service. He will not get away with it, because voters throughout Britain can see that this good-value service on which they rely is under threat directly because of the coalition's policies, and when they look for the fingerprints on the murder weapon—as Agatha Christie, one of library users' favourites, might have put it—they will see that the Lib Dems' paws are all over it.

I hope that every local Lib Dem councillor realises that there is no point in rushing out a petition to save their local library when their MPs in Westminster are standing by as the service is slashed. As the Minister said on the radio on Wednesday, "You have to elect councillors who believe in libraries and you have to campaign in your local area to get councils to back their library service." Exactly, but there is only one party whose record in government locally and nationally shows that it can be trusted to protect our libraries, and I am proud to say that it is my party.

There can be no better indictment of the present Government's hypocrisy than their treatment of Britain's libraries. They spill out warm words of support while starving libraries of the cash that they need to continue. They pretend that these huge savings can be made without taking books off the shelves or turning the lights out as libraries close, although the Minister and his colleagues know that that simply is not the case.

It is time for the Minister to come clean. Will he accept that he is not a champion for libraries and that he is responsible for a reduction in services? Will he tell us whether he warned the Chancellor of the Exchequer and the Chief Secretary to the Treasury during the spending round that the cuts to local authorities would put them under pressure to reduce library provision? Will he tell us just how far he thinks library services can be cut while the law is fulfilled? Will he guarantee that the 1964 Act will remain in place for the lifetime of this Parliament? Finally, does he accept that librarians, such as the ones whose expertise we, as MPs, are lucky enough to draw on in the House of Commons, require special skills, or does he have plans for the House of Commons Library service to be staffed by volunteers? There are many questions for the Minister, and I hope that he will now provide some answers.

10.50 am

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): I am grateful to serve under your chairmanship for what I think is the first time, Mr Turner. I congratulate the hon. Member for Wigan (Lisa Nandy) on calling this important debate.

I thank hon. Members for some extremely valuable contributions. I thank not only the hon. Member for Wigan, but my hon. Friend the Member for North Swindon (Justin Tomlinson), who showed how a go-ahead and visionary local authority can adapt its library authority. The hon. Member for Hampstead and Kilburn (Glenda Jackson) gave an impassioned defence of her local library service and called for more Government spending as we tackle the deficit. The hon. Member for Mid Dorset and North Poole (Annette Brooke) rightly said that her county council is making the decisions, some of which she disagrees with, and she is perfectly within her rights, as the local Member, to do so. The right hon. Member for Lewisham, Deptford (Joan Ruddock) gave an inspired review of what is happening in Lewisham and said the changes there are a great success in the making.

Joan Ruddock *rose—*

Mr Vaizey: I will just finish my review, if the right hon. Lady does not mind.

My hon. Friend the Member for Aberconwy (Guto Bebb) reminded us that local authority library services are often debated and that the debate about the future of local libraries did not begin on 6 May 2010. The hon. Member for Wirral South (Alison McGovern), who has introduced a ten-minute rule Bill, reminded us again of her passion for libraries. My hon. Friend the Member for Newton Abbot (Anne Marie Morris) mentioned e-books, which are very important indeed. There are complicated issues surrounding e-books, not least to do with the future of this country's publishing, which is our most important and successful creative industry. The hon. Member for Hartlepool (Mr Wright) ended the Back-Bench contributions by making an impassioned plea for me to intervene in the library service in his area.

The Labour party spokesman, the hon. Member for Ashfield (Gloria De Piero) made a wonderfully engaging speech, which ended with a series of questions for me, but let me also ask her a few questions. I would hate to think that her speech shared the same motivation as that by the hon. Member for Wigan, who revealed what was behind her speech in replying to an intervention when she said that "this is all politics". The hon. Member for Ashfield asked whether I would guarantee the future of the Public Libraries and Museums Act 1964. Yes, unlike the previous Labour Government, who showed rank hypocrisy in publishing a document on the modernisation of the library service just as they were running out of time. Their Minister with responsibility for libraries published a document asking whether we still need a statutory library service. If Labour had been re-elected, it would have got rid of the statutory library service, but Opposition Members now shed tears for the library service. When I campaigned against the closures proposed by the Labour council in the Wirral, where were Opposition Members? Again, rank hypocrisy.

Alison McGovern *rose—*

Mr Vaizey: I will finish my opening remarks.

Geoffrey Clifton-Brown: Will the Minister give way?

Mr Vaizey: I will give way to my hon. Friend.

Geoffrey Clifton-Brown: The hon. Lady has had a chance to speak. I have been sitting here, but I have not had a chance to speak. I congratulate my hon. Friend the Minister on the way in which he is approaching the subject, but I tell him that Gloucestershire has received the worst local authority settlement in the country. Seven of the eight libraries in my area face the prospect of being cut to volunteer-only services. Will my hon. Friend's officials work with Gloucestershire county council to make sure that it is given every possible support? Even a volunteer library requires seed corn to keep it going. Incidentally, this is not only about libraries being cut to volunteer services, because Gloucestershire's mobile library service is being cut altogether.

Mr Vaizey: I will certainly give my hon. Friend that commitment. I will explain exactly what the Government are doing in a minute. First, however, given that this is all politics, let me perhaps correct some of the impressions given by Opposition Members. The hon. Member for Wigan opened by saying that libraries in her local authority had no future.

Alison McGovern: I feel driven to intervene because the Minister mentioned Wirral, which is where my constituency is situated. Will he tell us why, if Labour is not committed to the 1964 Act, a Labour Secretary of State used it to inquire into what was happening in Wirral?

Mr Vaizey: The hon. Lady will have to ask him—first, because this is all politics and, secondly, because I asked him to do it; indeed, I had to push him, kicking and screaming, to do it.

Every local library is different, but there is a lot of good news on local libraries. For example, Wigan will potentially be part of the Greater Manchester future libraries pilot project, which has already identified 15% savings if the authorities involved work together. Despite the fact that the hon. Member for Wigan said that her libraries have no future, £1.5 million has been invested—

Lisa Nandy: Will the Minister give way?

Mr Vaizey: No, I will not give way, because I have only five minutes left.

The number of visitors to libraries in Wigan has risen by 13%. Tower Hamlets closed libraries, but it did so with a strategic vision, re-engineering them and turning them into idea stores. Calling libraries idea stores upset some traditionalists, but visits to idea stores have gone through the roof. Despite reducing its budget, Hillingdon has kept all its libraries open and refurbished them under the inspired leadership of Councillor Henry Higgins. This week, I met representatives of Havering, which is pioneering signing up kids and babies to libraries. The London Libraries Consortium—12 authorities working across London—has already made enough savings to increase opening hours substantially. Swindon, which I visited in opposition—I invited a prominent library campaigner to visit Old Town library with me, but he told me he was too busy—has invested £10 million in a central library and has moved the Old Town library to an arts centre, where there have been more visits. Lancashire has pioneered the "Get it Loud in Libraries" scheme. What happens also depends on how people go about things. The local authority in Leeds is closing libraries, but it is doing so in a strategic way and bringing the local population with it.

I have not sat back. My first speech as a Minister was on libraries, when I communicated my passion and support for libraries. I said it was right—I think it is right—that local library users challenge a local authority that is planning to close libraries. My first executive action as a Minister was to set up the future libraries programme, because I felt passionately in opposition that much of the innovation in good library authorities was not being communicated to many authorities that were perhaps not so innovative and which did not have such a go-ahead approach. After the debate, I will meet some of the local authorities involved in the 10 pilot projects. I also made sure that the Local Government Association was involved in the project from the start, because libraries are a local authority service.

I recently wrote to every local authority in the country—there are 151 library authorities, and I have gone on record as saying that that is too many and that people should be thinking about cross-border working and mergers to reduce overhead costs—to remind them of the statutory duty, which still exists thanks to the election of a Conservative-Liberal Democrat coalition Government and despite Labour's plans to get rid of it.

At any one time, local authorities are considering their plans, and almost every library closure that has been mentioned today is a proposal—these things are being consulted on. In Oxfordshire, in my own backyard, the proposals will undergo a three-month consultation. In response to my hon. Friend the Member for The Cotswolds (Geoffrey Clifton-Brown), let me say that the Museums, Libraries and Archives Council—I pay tribute to Roy Clare, who is a fantastic leader of that organisation—is working with authorities to show them ways of moving forward without necessarily closing all the proposed libraries.

No hon. Member can say with all honesty that no library should ever close in any local authority area. We need a strategic vision. The good thing that came out of the Wirral inquiry, apart from the fact that the Wirral's libraries were saved, was that the Charteris report now provides local authorities with clear guidelines on how they should reorganise their library service, if that is what they want to do.

Some 75% of children and 40% of adults visit libraries. Unlike the hon. Member for Wigan, who introduced the debate, I think that libraries have a future. We talked about the potential closure of the Kensal Rise library, which was opened by Mark Twain, and despite the best efforts of Opposition Members, I have to say that the death of libraries has been greatly exaggerated. It is up to local communities, working with local councillors, to keep our libraries open, with volunteers supplementing and working with librarians, rather than replacing them. All of us who care about libraries must work passionately to save this service and make it as effective as possible, instead of spreading pointless scare stories.

Property Market

11 am

Richard Harrington (Watford) (Con): I have an interest to declare, which is in my entry in the Register of Members' Financial Interests, because I have for many years been a director of a company involved in, among other things, the development of housing, although I have no active involvement in the company. I thank Mr Speaker for selecting my debate; it is much appreciated.

Housing is on the mind of most Members of Parliament, as much of our correspondence relates to it. I am pleased to see the Minister for Housing and Local Government here; I am sure that he will, as a Watford grammar school boy and former Watford resident—he has gone on to greater things and places—find some of the points I shall make very relevant to that place.

Housing has the attention of the media, and a recent article in *The Guardian*, following an interview with the Minister, was headed "Minister pledges an end to the housing price rollercoaster", which I was pleased to read. However, for people who are struggling to get on the first rung of the ladder, things have never been more difficult. In my constituency in 1996, the average price of a house was more than £73,000. By last year, notwithstanding some reductions in prices, it had reached £234,000. It is easy to see how difficult the situation is for first-time buyers whose average age, calculated locally, has risen to 37 years old. I was delighted that it was announced in the comprehensive spending review that the Government will increase housing supply

"by reforming the planning system so it is more efficient, effective and supportive of economic development."

I am delighted that the Government have recognised the problem and are committed to tackling it.

It is fashionable to place the blame for the current situation on the recession and the banks, but I believe that for many years, from before the recession, there has been a consistent structural problem—a fundamental demand for housing which greatly outstrips the supply. Only an increase in supply will meet demand, tackle the problem effectively and create greater opportunities for first-time buyers.

Mr Lee Scott (Ilford North) (Con): I congratulate my hon. Friend on obtaining the debate. Does he agree that while the blame does not rest totally with banks, they are making things increasingly difficult for first-time buyers and, indeed, for other people who want to move home?

Richard Harrington: That is correct, and a valid intervention, which I intend to discuss briefly.

The demand side of the equation is clear. Short-term economic factors may have reduced it, but the fundamentals are as bullish as ever. The south-east, according to all the research that I have seen, is expected to continue the population growth trend, and despite all the incentives that the Government may provide for a change in regional preferences I think that the trend is unstoppable. Without going into too much detail, the factors include migration, the social trend towards more households following divorces, the population getting older and the great predilection for living in small households. Above all, I do not think that anyone can say that the demand side will change much.

My hon. Friend the Member for Ilford North (Mr Scott) mentioned lending. At the moment, one of the biggest obstacles is the decline in lending. The figures show that the contraction in UK mortgage lending since 2007 has been the most severe on record. In 2008 and 2009, about 500,000 loans were granted for house purchase. That is a lower figure than for any year since 1974.

Mr Stewart Jackson (Peterborough) (Con): I congratulate my hon. Friend on securing this debate. Is he as concerned as I am that the review being undertaken by the Financial Services Authority may not only stifle mainstream mortgage products but prevent the development of new products for intermediate housing, such as do-it-yourself, shared ownership and key worker schemes?

Richard Harrington: My hon. Friend makes a valid point on a subject that I intended to mention later. The Financial Services Authority is reviewing the mortgage market and, from all the indications that we have received, it intends to bring in, with the intention of protecting the consumer, various restrictions, such as appraising customers and reducing the type of mortgage available, that will significantly reduce the supply. I know that Ministers are aware of that, and I hope that they will bring as much pressure to bear on the FSA as they can. It is fair to say that the lending side is definitely a short-term constraint, but for the purpose of this debate, I will put it to one side. However, I am not trying to reduce its validity.

The core of my argument concerns the supply side of housing—the availability of land with planning permission to build social and private houses. Although I fully support the Localism Bill and its core values of local people and their representatives being responsible for their own actions, I believe that in respect of planning, it could significantly adversely affect the supply of land for housing. If the incentives on offer do not outweigh the anti-development sentiments of residents and their elected representatives, we are in real trouble.

Indeed, the Localism Bill will liberate local communities from stifling Labour targets, especially the well-intentioned but misdirected regional spatial strategies, because it is clear that they have not worked. New homes are being built at the slowest rate since the war.

Alison Seabeck (Plymouth, Moor View) (Lab): Does the hon. Gentleman not acknowledge that since the Secretary of State's letter went out saying that people could ignore the RSS and everything attached to it, planning applications, and therefore the build for housing, has actually gone off a cliff?

Richard Harrington: I agree to an extent with the hon. Lady, and I hope that my position will become clearer a little later.

Watford, like many constituencies in the south-east, is badly in need of housing supply; there is no dispute over that. Even during this recession, there has not been an overhang of unsold properties. If development does not come to such regions, a whole generation of people may find themselves priced out of the market for years to come.

The Localism Bill fails to address a serious issue with regard to policy and planning. A YouGov survey, commissioned by the New Homes Marketing Board, revealed that more than eight out of 10 people believe that Britain needs more housing for sale and rent, especially for first-time buyers. That is very much like a "hands up all those who are against sin" argument. The survey also showed that far fewer people—just about 50%—welcome the construction of more homes in their immediate neighbourhoods. Such a view is significantly understated, because when I send out surveys to my local residents, stopping nearby developments comes back as an important priority.

Mel Stride (Central Devon) (Con): I congratulate my hon. Friend on securing this debate. Like him, I believe that this is an extremely important subject, particularly in the south-west where affordable housing is a real issue. As I understand his argument, he is suggesting that incentives may not always work as a driver of development. Equally, however, does he accept that to go back to the regional spatial strategy scenario that we had under the previous Government, in which top-down diktat told local communities the amount of development that they could have and where it would be, would be a severely retrograde step?

Richard Harrington: I agree totally with the Minister with responsibility for planning that we should not return to Stalinist central diktat. My argument will hopefully show that that there are more tools in the box other than just the financial incentives that the Government have bravely introduced as a core of our policy. I am very much against central targets because they have not worked, not to mention the issue of morality or believing in local government, which I do.

[Mr Lee Scott *in the Chair*]

I agree that the Localism Bill has great potential to free local communities to decide for themselves the housing that they need. However, we must acknowledge the other side of that coin: the Bill will empower those people who are opposed to development in all its forms, so there are two sides to the measure.

Graham Jones (Hyndburn) (Lab): Will the hon. Gentleman explain to the Chamber the difference between a supplementary planning document and a neighbourhood development order?

Richard Harrington: Again, if the hon. Gentleman has a little patience that difference will emerge as I make progress.

We have to do as much as we can to ensure that new homes are built, but there will always be people who oppose development. Sometimes, what is needed to meet the needs of the larger community can be stifled by those who, understandably, have their own personal interests at heart. It is not simply a hypothetical question. The issue has arisen in several places around the country, following the letter from the Secretary of State. Although regional spatial strategies were clearly not successful, evidence of nimbyism has also appeared, with the recent departure of those strategies. I will give some examples that right hon. and hon. Members may find of interest. In Bath, for instance, the number of homes to be built around the area has been cut by nearly 50% under the city's draft core strategy. Previous targets proposed by the South West Regional Assembly envisaged more than 21,000 homes being built during the next 20 years, but that figure will now be cut to 11,000. North Somerset is cutting its target for new homes from 26,000 to 13,000.

Andrew Griffiths (Burton) (Con): My hon. Friend cites a number of targets, saying that one region wanted 21,000 new homes and another region wanted more. However, the reality is that those targets were fantasy targets. Those new homes were not built. We can set targets as high as we like for the building of property, but under the old regime—under the failed Labour policies—houses were not built and, more importantly, the local communities that had those targets forced on them were very upset about it.

Richard Harrington: I cannot dispute the validity of what my hon. Friend says, as I am very familiar with his constituency and with my own. The demand for housing in Watford is significantly greater than demand in Burton, but both constituencies offer an illustration of how the RSS and those targets do not work. I am giving examples. My hon. Friend may say that the targets were fanciful, but they were aspirations. Now no one will say that these new targets will be reached, because my hon. Friend's argument is the same as my own—there is always a presumption against development locally. There are councillors who are elected, one after the other, on anti-development platforms. They come from all parties; I am not picking out one particular party in that respect. However, the fact is that targets have been reduced all over the place, in St Albans, in Wiltshire—I could go on, as I have a list of quite a few areas.

Stephen Lloyd (Eastbourne) (LD): I thank my hon. Friend for giving way; he has been very patient in allowing us all to intervene, which I appreciate. Does he agree that a measure that will help people to find homes is another change that the coalition Government are introducing, thereby moving to a default situation where it is easier for people in receipt of housing benefit to opt for it to be given directly to the landlord rather than having it go via the tenant?

[Mr Andrew Turner *in the Chair*]

I know that my hon. Friend is talking about property sales, but does he agree that that change is another example of the coalition Government being practical and pragmatic, making it easier for people to have their own houses, even if in this instance they are rented houses.

Richard Harrington: I agree with my hon. Friend, except to say that he says that I am talking particularly about private housing. That is true, but in fact it is really the overall supply of housing that I am interested in and for whatever purposes, whether it is housing for private tenants or for social tenants, shared ownership or outright freehold ownership. I think that the principle is the same; we are talking about supply. However, I totally support that measure on rent that the coalition has introduced.

The core of the Government's strategy is the new homes bonus, which was introduced as an incentive for councils to build. It may well succeed—I hope that it

[Richard Harrington]

does—but I have spoken to a number of people in the industry. My right hon. Friend the Minister might say that they have vested interests as planning officers, house builders and so on, but whatever their other interests, they certainly have an interest in supply. Their concern is that the bonus will not be sufficient in itself to encourage councils to build.

If a development of new houses is opposed by local residents, local councillors elected on a non-development ticket are unlikely to take action on an issue that might work against them at election time. I do not believe that five or six years of council tax will be a convincing enough reward. I say that not to discount the scheme but to raise obvious concerns to Ministers that other weapons, tools and policies might be needed as well.

My right hon. Friend the Minister believes that residents and their representatives will change their views because of the benefits that their communities will receive from the new homes bonus. He regularly cites a large brownfield site in his constituency of Welwyn Hatfield where the new homes bonus—the money that the council will receive for a housing development on that site—will pay for a renewal of the whole town centre. I can see that—after he mentioned it to me at a meeting in Hatfield, I went to visit the site, and I accept that it is a compelling argument—but most developments are much more controversial than that. In Watford and, I suspect, many other constituencies, the available development land comprises many small sites for which the NHB money would not make a sufficient difference to the community coffers to provide any incentive, although I can certainly see how the big flagship schemes would do so.

I am not negative about the new homes bonus, and I hope that what I am saying will not be interpreted as such. I just do not believe that it will necessarily be enough. I have positive suggestions to make. Some simple considerations might do much to ensure what we want and what the Minister has declared many times that he wants: an increased supply of land with planning permission.

It is crucial that PPS 3, which is under consideration, preserves the obligation of local planning authorities to maintain a five-year housing land supply and to take a five-year view. Although the process is made cumbersome by a lack of nationally accepted guidance on how to calculate land supply—it is a matter beyond my intellectual capacity as a Member of Parliament—I am sure that there are many professional people on different sides of the argument who have views. The implementation of such a measure—not a target, but a measure—would at least ensure an impartial intermediary. I suggest that the Government convene an advisory committee drawn from leading planners, housing and economic experts, Government and local government to draw up a suggested standard methodology for calculating land supply figures. I repeat that it would not be a return to the over-centralised approach of the past, but it could be a sensible way to ensure that best practice is captured so that local councils make informed decisions.

Justin Tomlinson (North Swindon) (Con): I thank my hon. Friend for giving way in this important debate. I understand the thrust of his argument, having represented a new-build area as a councillor for 10 years while the number of houses rose from 1,800 to 8,000. However, does he agree that solutions to housing pressures must not come at the cost of appropriate development? The high-density housing typical under the last Government, lacking open space and parking provision, simply stores up problems for the future.

Richard Harrington: I agree that a balance is needed. We have all seen such developments in our constituencies —high-density blocks of flats with no greenery, no surrounding area and no provision for infrastructure. Yes, I agree absolutely.

Graham Jones: Will the hon. Gentleman give way?

Richard Harrington: May I make a little bit of progress first? I am not trying to ignore the hon. Gentleman; I am just trying to get my flow going.

I am against the centralised approach of the past. I am asking only for effect to be given to a measure proposed in the open source planning document as well as the Government's Green Paper. We have to carefully monitor the incentives that we are introducing, such as the new homes bonus, to ensure that they in fact do what they are intended to do. If development targets continue to be halved by local authorities, surely we have to consider other ways to encourage the increase of supply that we all believe necessary. It would be much better if the powers were put in place now, rather than when the problem manifests itself, when it might be too late.

It is very clear to me that the Bill must contain a presumption in favour of sustainable development, so that if the local community has not drawn up its own plan for development, businesses can get involved. The economy is a very important reason for increasing the supply and taking the initiative, but obviously it would have to be proved that the proposals were sustainable. I am most impressed by the presumption in favour of sustainable development. It was one of the most far-sighted proposals in last year's "Open Source Planning" Green Paper, and was reaffirmed with even more vigour in the local growth White Paper later in the year. It is really important that it is brought into effect as soon as possible.

Alison Seabeck: I thank the hon. Gentleman for giving way during his very thoughtful speech.

The presumption in favour of sustainable development is not in the Bill, and a number of witnesses have raised concerns about that in the Bill's first public evidence session.

Richard Harrington: I thank the hon. Lady for her intervention, and I hope to sit in on some of the future public sessions of the Bill Committee.

In the Minister's opinion, does the Bill remain in step with the White Paper statement about its three functions? The White Paper states that those functions are to allow people to shape their own communities—which I think it clearly does; to provide sufficient housing to meet demand; and to support economic development. I am not sure whether the new homes bonus is enough in respect of the second and third functions, and I think

that the Government should create a back-up plan to ensure that development continues.

I should like to take this opportunity briefly to consider shared ownership schemes, which are a very important way of increasing home ownership, and of helping the demand and supply sides to meet. On 21 October, I submitted a written question to the Minister for Housing and Local Government about the Government's plans to increase shared ownership and low-cost home ownership schemes, which, as I have seen in my constituency, are a very affordable and attractive prospect at the present time. The response was very positive:

"We announced in the spending review almost £4.5 billion investment...a new delivery model is expected to deliver up to 155,000 new affordable homes".—[*Official Report*, 2 November 2010; Vol. 517, c. 671W.]

To the best of my knowledge, the details that we have been promised have not yet arrived, and I encourage the Minister to give us some information on that. I very much support what the Government are trying to do with shared ownership, and would like to see progress on that as soon as possible.

Paul Uppal (Wolverhampton South West) (Con): I thank my hon. Friend for securing this debate. I have been involved in property for about 20 years, and so this is an area that has concerned and perplexed me many times.

I understand the premise of my hon. Friend's argument this morning, and have no issue with that; he is wholly correct. On the supply side, however, and particularly in terms of demand, in the UK we suffer from an exceptionally large number of people who aspire to own their own homes, compared with our continental neighbours in Germany and France, where there are much higher levels of renting. I have found that institutional investors often look for avenues through which they can get into the residential market, particularly from a letting perspective, and they have often approached Governments regarding the best way to do that. One area that is particularly talked about is the shared ownership vehicle. I do not know whether my hon. Friend, or the Minister later, will be able to comment on that, but I echo the sentiment of shared ownership as a way of solving the problem—not wholly, but certainly helping.

Richard Harrington: My hon. Friend has made an important point about the vehicles that can be used, and I am sure that the Minister will comment on that. I very much supported the introduction of the real estate investment trusts scheme into this field, but my argument today is about the supply of land for housing development, some of which—a greater percentage, I hope—will be for shared ownership; some of it will be for private ownership and private tenants, and the different forms of social housing. I do not think that my hon. Friend's point, valid though it is, is relevant to that argument.

I remind hon. Members that the lack of accessible housing for first-time buyers is not just a housing issue, or something to do with the idea that an Englishman's home is his castle, and people's desire for their own home. It has serious ramifications for the future of Watford, as for many other places. To use Watford as my example, as I should and must, it has for a long time been a popular place for young professionals, people working in and opening new businesses, and families seeking a first step on the property ladder. It is quite near London, and a lot cheaper, and it is a nice place to live. I say that in my capacity as honorary president of the Watford tourist board—but it is a nice place, and people enjoy going there. It is close to London without London prices. However, I have a significant fear that without housing supply at reasonable prices, which is a function of supply—we know that the demand will always be there, or I at least believe it will—the area will have difficulty in attracting young professionals, and attracting people to open or engage in businesses. That is the most significant aspect of what is a serious matter, with huge implications.

I support localism and I applaud the Government's efforts to introduce it throughout the country, but my central argument, which I hope the Minister will accept, is that it must be part of a balanced package. We must avoid any trap; for the last Government it was their obsession with centralism—the Stalinism that I mentioned before—but that must not be replaced by a similar obsession with localism as the only way to obtain housing supply.

Graham Jones: I thank the hon. Gentleman for obtaining the debate; it is a great debate, which is primarily about the south, and under-supply of housing, and I am happy to engage in it. To return to the point about the Labour Government being a centralising Government, could the hon. Gentleman tell me the difference between a supplementary planning document and the new neighbourhood development orders? If Labour were centralising, what was an SPD?

Richard Harrington: I do not think that it makes much difference to the argument. In practice there is not much of a difference; I understand there is one, realistically. I look forward to the Minister's comments and the contributions of colleagues. I feel I have made my point.

John Stevenson (Carlisle) (Con): I am grateful to my hon. Friend for securing this debate, which is very useful. I agree with the general thrust of his argument that we need more supply, but he has not touched on the matter of empty properties, how we could bring them back on to the market, and whether there should be incentives to do that, which would increase supply.

Richard Harrington: That is a valuable point. In Watford there are several hundred empty properties. I keep an eye on that. To give credit to the local council, it is also trying. However, there is more to the question of empty properties than meets the eye. Some of them are transiently empty, not empty over the long term. Some are not in the condition that they should be, and some are in areas of town where people do not want to live. I had this very discussion outside the Chamber with my hon. Friend the Member for Burton (Andrew Griffiths), who mentioned that it was a particular problem in his constituency. I do not make it out as of no consequence—it is important—but it is peripheral to the main argument. We shall not merely need 100 or 200 extra homes in our constituencies—which might or might not be obtained by making progress with empty properties. The question is the fundamental supply of new housing land.

11.29 am

Mr Stewart Jackson (Peterborough) (Con): It is a pleasure to serve under your chairmanship for the first time, Mr Turner. I congratulate my hon. Friend the Member for Watford (Richard Harrington) on an excellent, well informed and intelligent contribution to an important debate. However, I fear I may unfortunately disagree with him on a practical and philosophical level.

Under the Labour Government the fewest houses since 1923 were built. Indeed, that Government tested to destruction the idea that centralised, top-down targets could be the way to engender growth in the provision of private sector, intermediate and social rented housing. Another issue, which has been disastrous in relation to social cohesion, is that, even the social housing that they did produce served, in a period of benign economic growth, to embed welfare dependency, to the extent that the number of people in social housing who are in paid work has shrunk every single year over the past 40 years or so. A mono-tenure culture in social housing cannot be right for the community, the economy or for our nation in general.

Graham Jones: Will the hon. Gentleman give way?

Mr Jackson: I will not at the present time, but I might give way to the hon. Gentleman later. I fear that the problem for my hon. Friend the Member for Watford is that he is looking through the wrong end of the telescope. The integral issue is mortgage availability and the fact that mortgage providers have failed to adapt and make progress in the market in terms of providing funding and mortgages to people.

Richard Harrington: I thank my hon. Friend for giving way, particularly after I have spoken for 20 minutes. If the banks decided suddenly to lend twice as much money to people who want to purchase houses—we hope that it will happen, so let us pretend for a moment that it will—what effect does he think that would have on the supply of housing?

Mr Jackson: As a Christian, I hope that sinners will repent and that the retail banking sector will lend. I think, however, that the issues are much more integral and institutionalised, as my argument will make clear. I welcome the new homes bonus, although I am slightly concerned about its top-slicing element from year three, which could have an impact on the propensity of local authorities to develop its potential—remember that the scheme is about developing housing appropriate for a particular area.

The situation reminds me of the emperor's new clothes—no one quite knows on what evidential basis we are to decide how many houses are needed. Is it the 2004 Barker report? Is it the misguided views of the then Office of the Deputy Prime Minister and the Prescott sustainable communities plan of 2003? We need to step back and carry out a full analysis of the demographic and social change. The hon. Member for Hyndburn (Graham Jones) has made the point—quite astutely, though in a roundabout way—that this should not just be about the south-east and the east of England and London, but that we should spread our country's wealth through the housing market throughout the UK. In fairness, we are looking at mechanisms such as the regional growth fund, sustainable transport funding and, of course, high-speed rail, which seeks to bridge the gap between the overheating of the south-east and other parts of the country—the north-east, the north-west and Yorkshire and Humberside. We need to have a much more existential approach to why we think we need more houses.

It is also important to think in terms of the operational capacity of planning departments. One would struggle to find many people who would admit that their local authority's planning department is completely fit for purpose. The huge bureaucracy and time lags drive local and bigger businesses and developers mad, because there is not a high degree of accountability in this often technical area for local councillors and residents and, in particular, for business. That causes an enormous and inordinate delay to the development of projects.

Graham Jones: Will the hon. Gentleman accept that it is the responsibility of local authorities to fund planning departments and that local councillors have decided that they are a low priority—ditto building control? Will he also accept that the previous Government introduced planning legislation that allowed local authorities to determine what they did and how they did it in their area, but that, because local authorities chose not to resource planning departments, it was left to top-down Government guidance and advice?

Mr Jackson: I do not agree with that comment at all. What happened under the previous Labour Government was that central Government decided that councillors were not qualified to decide how much residential development should take place in their area or to co-operate on infrastructure projects. That is something we have made changes to through the Localism Bill, which received its Second Reading last week. In many respects, the previous Government undermined the autonomy and authority of local councillors and planning departments, specifically by adopting a completely crazy top-down and, as my hon. Friend the Member for Watford said earlier, Stalinist approach to the regional spatial strategy. Of course, that did not work. It would have been great if it had actually worked, but—

Graham Jones: Will my hon. Friend give way on that point?

Mr Jackson: I will not at the present time, but he is always my hon. Friend, especially if he wishes to cross the Floor.

Other operational issues stray into the area of regeneration. It is very difficult to put together a residential and commercial package for brownfield sites because of some of the institutional issues at which the Government need to look. One issue is that of European Commission procurement laws. If there is one thing guaranteed to scare planners off, it is the idea that it will take months and months to put together a package and that they must put the work involved—consultancy and other issues—out to European Commission procurement rules. As I said, that can cause massive delay in bringing forward good projects—for example, shopping centres with associated housing.

The other issue, which was touched on by my hon. Friend the Member for Carlisle (John Stevenson), is that of empty properties. I remain to be convinced that empty dwelling management orders were the right way to go about dealing with the matter. We really need to tackle the issue of empty properties. If we are going to develop on marginal sites—green belt sites and others—we should be able to satisfy ourselves that we have exhausted every other possibility of developing on brownfield sites. We also need to consider the whole area of brownfield remediation. That is an issue for the Department for Environment, Food and Rural Affairs, the Treasury and the Department for Communities and Local Government.

My hon. Friend the Member for Wolverhampton South West (Paul Uppal) made a very astute point about real estate investment trusts. That is a matter the Leader of the House was very keen to take forward when he was Housing Minister in 1996. Some pretty arcane legal and financial rules in the Treasury mean that it has not been possible to develop such a consumer friendly way of accessing private sector capital in the private rented sector. At the moment, such an approach is confined to the student market in university towns. However, we need to have a bigger philosophical debate on whether—I know it is heresy for any Conservative to say this—we have perhaps reached the limit of owner-occupation. If we consider comparative studies in Canada, Germany, Italy and France, people are happy to live in and pay rent for high-quality residential accommodation. We have not exhausted the possibilities of that here.

Richard Harrington: It is important that my hon. Friend accepts that although he might be right about housing penetration and such things, those matters are irrelevant to the core argument of the debate, which is that the supply of land is needed—whether it is for rental housing or any other form of housing.

Mr Jackson: My hon. Friend has a point. I should not mix my metaphors too much, but if the Government were taking the one-club golfer approach of only putting eggs in the basket of the new homes bonus—we will see from the regulations and secondary legislation how the details of that work out—I would accept the premise of his argument. However, the Government are also looking at community right to build and urban extensions to rural and semi-rural areas because people are very keen to save their post office, their bus service and their local shop. If we can envisage building 10, 15 or 20 houses, housing some key workers and some high-income people, which concurs with, for example, the Sustainable Communities Act 2007—that legislation was passed with cross-party support a few years ago—my right hon. Friend the Minister for Housing and Local Government is absolutely right: people will want to do that. If we do that cumulatively across boroughs and districts, we will drive up housing numbers.

I am mindful of the time, so I will move to a conclusion. We desperately need Treasury buy-in in the housing market to support the new homes bonus and other initiatives such as asset-backed vehicles, in which private sector capital can be accessed for regeneration schemes, including housing; tax increment financing—not just in town centres for retail but for housing-related issues as well—and the important accelerated development zones.

I recognise my hon. Friend's very sincere concern for those young people who want to get on the housing ladder in Watford, and I see the same in my own constituency. We must not ignore the disparity between the joint income of young couples and the amount that mortgages are proffered at by lenders. That gap is huge, and we need to work with the Treasury and the FSA on the matter. I know that our right hon. Friend the Minister for Housing and Local Government is battling hard to make the FSA understand the practical ramifications of restricting the mortgage market, which will be disastrous for the housing market.

Although I support the views of my hon. Friend the Member for Watford, the picture is technical and very complicated. What we do not want to see is the son of regional spatial strategy. Compulsion has failed, and there is no evidence to suggest that it will work in the future. We all hope that we can build more homes for constituents of all incomes. We all support do-it-yourself shared ownership and intermediate housing to get people on the housing ladder so that we can become a property-owning democracy again.

11.41 am

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Thank you, Mr Turner, for inviting me to speak in this Westminster Hall debate and for giving me the opportunity to serve under your chairmanship. I congratulate my hon. Friend the Member for Watford (Richard Harrington) on successfully securing this very important debate. I need to declare an interest. Before I was elected to this House, I ran and was a director of a communications company, which specifically dealt with issues of public consultation. I no longer have an executive role in that company. I hope that over the course of the past 20 years, I have gained some understanding of the market.

The ability to deliver development hinges on the cost of land—how much it costs a developer to buy so that they can develop it. Last week, we debated the Localism Bill. I was delighted to be able to support it because it is exactly the right road for us to go down. I tried, unsuccessfully, to speak in that debate. Had I done so, I would have reminded the House that when it comes to reforming planning legislation, every Government have always thought that they could speed up the process. Unfortunately, that never seems to have happened, and the process has got progressively slower. If we monitor the whole process now and find that it is slower, will the Minister ensure that we can revisit it and try to reform it?

The key issue for developers is the land and the ability to put together land sites and attract political commitment for development so that regeneration and investment can come forward. The previous Labour Government started off on the right foot. They talked about how important it was to encourage both commercial and housing development. Unfortunately, during the course of their 13 years in power, the process got slower and slower to the point that we were literally looking at only one issue, which was making sure that housing development came forward. In any approach that the Government may take, it is important that they include not only housing but commercial development.

As has been said, we are now building fewer homes than we were in the 1920s and 1930s. The previous Government's top-down approach has not been as successful as we would have liked it to have been. That is

[Oliver Colvile]

why I feel that the coalition Government's proposals to introduce incentives so that local authorities can encourage development are incredibly important. I firmly support a carrot approach rather than the stick. It will encourage local authorities such as mine and that of the hon. Member for Plymouth, Moor View (Alison Seabeck) to bring brownfield sites back into use and fulfil their full economic potential.

In Plymouth, 38% of the local employed population works in the public sector. Although they do a good job, we have failed to ensure that we rebalance the economy, and we must try to do so. The largest private-sector employer is Babcock, at the dockyard, but that is of course public-sector employment by proxy. I am therefore keen to encourage more private investment in Plymouth. Just yesterday, the deputy leader of my council reminded me that Plymouth is open for business and can deliver. That is good news, but to achieve it in our part of the south-west, we must not only ensure that we have good transport and infrastructure, as my hon. Friend the Member for Peterborough (Mr Jackson) mentioned; we must ensure that we have a good skills base. If we are to attract inward investment, we need good infrastructure, a good skills base—people move where the jobs are—and the right general design for the area. Plymouth has a low-skills and low-wage economy. To rebalance it, we must ensure that we have the right conditions to attract inward investment.

Last Friday, Plymouth city council organised an event at which I spoke, as did the hon. Member for Plymouth, Moor View and, I am delighted to say, my hon. Friend the Member for Rossendale and Darwen (Jake Berry). We considered the whole business of how to attract investment and so on, and we discussed affordable housing. My hon. Friend did an excellent job and spoke incredibly well. All the reports that I heard said that he certainly hit the issue. It was an opportunity to consider the regeneration that has taken place in Devonport, which we all found interesting and worthwhile.

Alison Seabeck: Will the hon. Gentleman at least acknowledge that the development in Devonport, which has been fantastic in turning that community around, was the result of investment by the last Labour Government?

Oliver Colvile: Yes. I thank the hon. Lady for her intervention. That investment has continued, and it is impressive how the scheme is progressing. It is developing mixed communities with not only housing but business and commercial opportunities.

Plymouth has about 12,000 people, mainly single, sitting on the city council's housing waiting list. It has a significant population and a chronic shortage of affordable housing, and we must rebalance our public finances. Registered social landlords and housing associations will not necessarily have as much money available as they do at the moment, so we must consider other ways to develop an affordable housing market.

Many rural communities have decided to go down the route of creating community land trusts, and we should consider that for conurbations. I was elected on a campaign of saying to Ministers that Plymouth is not Portsmouth. We are not 20 minutes away from Bristol, and we should not be ignored. We have a good story to tell. We would welcome a visit by the Minister to Plymouth, which is a happening place, as they say.

Mel Stride: Does my hon. Friend agree that in rural settings—particularly villages, where it is important that younger people can afford to stay in their communities in order to keep them vibrant and sustainable—land trusts could perhaps allow covenants to ensure that those who occupy the properties come from the local area and can stay there in perpetuity?

Oliver Colvile: I will not pretend that I have a brilliant knowledge of rural development—after all, I represent the largest conurbation west of Bristol—but my hon. Friend is quite right.

We have to look at an imaginative way of doing things, and I have one suggestion, which the Minister might like to take on board. Where we have community land trusts—where the local authority or the local community can own the land, and putting the housing, the bricks and the mortar on it is the least expensive aspect—we might look at returning to an old leasehold arrangement, under which developers could sell the building but hold on to the ownership of the land itself, which would mean that it remained in community use during the course of the leasehold.

I have two final points. If we are to do a significant amount of development and encourage inward investment, can we also make sure that we have good design? One big problem, which we have had in various parts of the country, is that we have not produced the design. Secondly, can we make sure that the local community gets involved? When I did some work in the royal borough of Kensington and Chelsea, I was struck by the fact that the local community was involved in the process of deciding what the master plan would look like. When the planning application was eventually submitted, it went through without touching the sides. My right hon. Friend the Minister has a civil servant in his Department who was very much involved in all that as the borough's director of planning, and that approach worked in a very big way. In this way, we can begin to undertake decent, sustainable development that combines housing and commercial opportunities that deliver employment.

11.51 am

Peter Aldous (Waveney) (Con): It is a pleasure to speak under your chairmanship, Mr Turner. I am grateful to my hon. Friend the Member for Watford (Richard Harrington) for securing the debate, which gives me the opportunity to raise issues that I did not have the time to raise during the Second Reading of the Localism Bill last week.

I make these comments having worked as a chartered surveyor for 27 years before arriving in the House. I am no longer practising and I have no ongoing consultancies. I have also been a district councillor and a county councillor. I support the Bill, although as my hon. Friend highlighted, some parts require further scrutiny.

A steady supply of sites needs to be made available for development so that we can not only build much-needed homes, but enable the construction industry to play its full role in securing the economic recovery. We need to ensure that the Localism Bill is a catalyst for growth and not an obstacle to it. Change is needed because the current system is not working. We are not building

enough houses. Patchy local plan coverage has helped to inflate residential land values, taking what were affordable homes out of the reach of so many. The country's infrastructure is also crumbling.

The Bill is radical and bold, and the Minister and his colleagues are to be congratulated on thinking outside the box, proposing a fundamental change in the way the planning system works and a move from a top-down to a bottom-up approach. There is a need to accept that the man from the Ministry does not know best, and there must be a shift of power and responsibility to individuals and local communities. They are, after all, the people who know their areas best.

I support the move towards local decision making, but decisions need to be made in a broad framework to ensure that sufficient land is available for development and to avoid piecemeal, unco-ordinated planning. I would like this framework to incorporate several features. First, we need to ensure that local decisions and local developments have regard to surrounding areas and fit into a countywide and regional framework. The regional spatial strategy was too rigid a straitjacket, but is local authorities' duty to co-operate, as proposed at present, sufficient to ensure an adequate strategic overview? This aspect of the Bill needs to be scrutinised further.

Secondly, to ensure that sufficient houses are built in a district, I propose that consideration be given to asking local planning authorities regularly to assess local housing need, which should be measured in the same way across the country. That will enable councils to monitor their success in providing for development land on which to build the new houses that are so badly needed. Thirdly, arrangements need to be put in place to speed up the whole planning process, including determining planning applications and preparing local plans. One of my complaints, in the past 10 to 15 years of working as a surveyor, is that the system has been getting slower and slower. I look forward to receiving details of how the Government intend to speed things up.

Finally, an issue that needs to be considered is whether the principle of sustainable development should be embedded in the Localism Bill, with the requirement for sustainable development explicitly stated. At present, it is proposed that the need to follow sustainable development principles will be implicit, because that will be included in the national planning framework. However, that has not yet been published, and for my part I believe that sustainability needs to be at the heart of the planning system.

I welcome the move towards neighbourhood planning, with communities being able to write their own neighbourhood development plans. That will give people a real say in how their neighbourhoods evolve, including what type of homes are built, and where they are built.

Graham Jones: For the third time I raise the point that under the previous Government, supplementary planning documents meant that, if local authorities wished, their planning departments could approach local communities to develop neighbourhood plans. That facility exists without neighbourhood development orders. I presume that the hon. Gentleman has served on a planning committee. Most of the powers in question exist and were delegated to local authorities. It is the failure of local authorities to develop supplementary planning documents that is the weakness.

Peter Aldous: The hon. Gentleman raises an interesting point, which I shall come on to, as I want to set out the issues that need to be addressed for neighbourhood planning orders to be successful. There is a need for capacity building in neighbourhoods, and for communities to have access to advice, training and funding. With that in mind, the ending of support to Planning Aid from March appears short-sighted and I should be grateful if consideration were given either to reviewing this decision or to putting new arrangements in place. It is also important to ensure that all communities participate, not just a few. I should welcome further information on how it is planned to promote neighbourhood planning in those deprived areas where it is most needed.

There is a concern, too, that that some developers might hijack the system. For example, a house builder might offer an enticing planning gain package in a particular neighbourhood, which might appeal to that particular community, but which could have a negative knock-on effect in surrounding areas. How is it intended to guard against such a scenario? Finally, to pick up the point that the hon. Member for Hyndburn (Graham Jones) made, there is no doubt that local planning authorities will incur additional costs in overseeing and promoting neighbourhood planning, and I hope that their funding settlements will ensure that they are not out of pocket in doing so.

The history of levies such as the proposed community infrastructure levy is not a good one. The betterment levy and development land tax resulted in a significant reduction in the amount of land coming forward for development. That is something that the country cannot afford at the current time. I think, however, that the new levy could be different. First, the money will be spent locally and will not be siphoned off by the Treasury. Secondly, much of it will be spent on infrastructure, which most people recognise is badly in need of improvement. Thirdly, an independent examiner will ensure that levies are not set at too high a level. I should welcome clarification from the Minister of why he and his colleagues did not go a step further and abolish section 106 agreements. They have, after all, often been abused over the years. All infrastructure and affordable housing needs could instead be funded out of one easy-to-administer roof tax, which would provide house builders with much-needed certainty.

I am concerned about funding the provision of infrastructure through such a levy, as the dynamics of the development process are such that there may be plentiful funds available for infrastructure improvements in high-value areas, but not in less affluent places, where projects are less profitable and less money is generated for works that cost approximately the same wherever they are built. I would be grateful for clarification of how the Minister will address that concern. The regional growth fund has a role to play, but it is only part of the solution.

The Localism Bill covers a lot of ground, and its objectives are to be commended. It has the potential to change planning in Britain for ever and to re-engage with many who have come to feel disenfranchised. However, the devil is in the detail, and for the legislation to achieve its objectives there are a number of issues that need to be addressed in Committee.

12 noon

Mark Pawsey (Rugby) (Con): It is a pleasure to serve under your chairmanship, Mr Turner. I congratulate my hon. Friend the Member for Watford (Richard Harrington) on securing this debate. Although I recognise that the debate so far has been exclusively about housing, its title is "Property Market" and I hope to raise a point about commercial property, when my declaration in the Register of Members' Financial Interests will become relevant.

[HYWEL WILLIAMS *in the Chair*]

My hon. Friend and other Members are quite right to draw attention to the failure to build new homes at a time when our country needs additional housing. I want to talk about the factors involved, particularly those that relate to the planning system, and to raise the issue of price. My hon. Friend has rightly drawn attention to the link between the planning system and the supply of land for development. We know from a report that came out earlier this month that less land is being approved for development than before. As elected representatives, we all know about the fundamental contradictions that exist within planning. We know that individuals are generally conservative with a small c. They like the environment they live in and they do not want to see change; indeed, they fear change, so we often find communities that are inherently anti-development and which oppose proposals for development at the first opportunity. At the same time, those very people are often looking for places for their children, so that their children can remain within their community, and they are often looking for smaller residential units, too, where they might retire, and which they know in turn will free up family homes for their children in future. Part of the planning system is about the challenge to reconcile those competing influences.

The abolition of the regional spatial strategy was one of the very first acts of the new Government and it is one of the reasons why my hon. Friend the Member for Watford has concerns about whether enough land will be made available for development. However, I think that local authorities have thrown off those shackles as a completely natural reaction, as they were imposed on them by those at the top. If somebody demands or insists that a local authority do something and the local authority then does it with great reluctance, as soon as that demand ends there is an incentive for the local authority to say, "Well, we're not going to have anything more to do with that, we are going to control our own destiny and take things forward in the way that suits us best".

However, I believe that there are two measures in particular that will allay my hon. Friend's anxieties. The first measure, to which my hon. Friend the Member for Peterborough (Mr Jackson) has referred, is the new homes bonus, whereby councils will retain the council tax for six years. It is not a simple concept. It has taken local authorities a great deal of time to work out how they will benefit financially from taking that action. I am delighted that my local authority in Rugby has made the calculations and recognised the benefits that will accrue to it from taking a progressive and positive attitude to the new homes bonus. I think that, as people look in detail at the proposals, more and more communities will say that this idea for dealing with development will mean that the community will benefit and the new homes bonus will start to make a great deal of sense.

The second measure is in the Localism Bill. Like many of my hon. Friends who are in Westminster Hall today, I would have loved to have discussed that Bill last week but I did not have the opportunity to do so. I want to discuss the effective consultation proposals in that Bill, which demand that developers undertake consultation with local communities before introducing development proposals. We know that good, sensible developers, who want to achieve what is best for the communities they want to work with, are doing that anyway. It is in their interests to do so; it is in the interests of a good developer to get the community working on the same side as them.

An example of a developer taking a proactive approach before the Localism Bill becomes law is the developer who is introducing proposals for 6,200 new homes in my constituency on the radio mast site in the west of my constituency. Many Members will be familiar with that site, because anybody travelling up and down the M1 will see the radio mast, with lights on it, which tells them that they are about an hour from London if they are driving south. The site is a sustainable urban extension, and the local authority continues to introduce plans that, in general, are supported locally. There is some immediate local opposition to the site, but I think that one reason why the ideas are making progress is the very effective consultation that the developers undertook in 2009. They held a detailed design inquiry lasting five days. Stakeholders were there for two days, but the weekend was allocated exclusively to the general public. People in the town and communities most likely to be affected by the development were able to talk to the developers about their vision for the site—what they wanted to see on the site and how they saw its future development.

A big part of the consultation was about learning lessons from recent developments in the town. One reason why people have a negative attitude towards development is that they can identify poor development that has taken place, which is often development that has been rushed through without effective consultation. Poorly designed road structures and poorly thought-out houses are built, leading to people being negative about development.

Another feature included in the design inquiry was respect for the site's heritage. Signals were sent from the site to the British Navy in times of war, so its heritage is important and links into Rugby's industrial heritage. That will be respected through the retention of existing buildings on the site. A significant issue for local people was the infrastructure and the ability of people in the add-on development, at the extremity of the urban centre, to find their way into the town centre. That was important if the development was to be seen in positive terms as contributing to the development of the town. Businesses will be attracted to our town because of the additional spend from people living in the new homes.

Local people have had their say. I might add that the time taken up in working on the proposals has been beneficial. In fact, the delay in bringing things forward caused partly by the state of the housing market means that we will get better planning. My hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) argued for speedier planning decisions. I think that we want better planning decisions, not necessarily faster planning decisions.

The price of land is a key factor in providing housing—in the rate at which housing is made available—because it is a very significant proportion of the eventual selling price of housing. An anxiety that may prevent land from being made available forward and about which my hon. Friend the Member for Watford may be concerned about is that, in many cases, developers have built up land banks at times when prices were rather higher than they are now. That acts as a disincentive to use the land for development now, because if prices are expected to rise in the future, the land value will be a smaller proportion of each house price than if development were undertaken now. It is a perfectly natural reaction for developers to hold on to their land bank in the hope that things will get better.

In respect of demand, reference was made to the uniquely or characteristically British view of home ownership. Homes are seen as an investment, as something to put one's money into to add to one's pension, rather than as somewhere to live. We have seen a massive growth in home ownership, to a peak of 71% of UK homes being privately owned by 2003.

Mr Stewart Jackson: Does my hon. Friend agree that one problem with registered social landlords not developing more schemes for shared ownership is that the existing business model is one with a constant stream of housing benefit income—and that has been the case for a number of years—while the Government's reform of housing benefit will use the market mechanism to develop more innovative ways of getting people into shared equity?

Mark Pawsey: My hon. Friend makes a very sensible point. Shared equity offers a real opportunity. I like to see variable rates of shared equity, so that people may start with a 25% equity stake and increase that as their circumstances change. That is not happening as often as it should.

Points were made about the availability of finance. People's ability to buy homes is very much driven by their ability to borrow, and there are real uncertainties in the market because of the current FSA proposals, which have been described as draconian. The harder we make it for people to get the level of finance they require, the less demand there will be for housing, and that will provide a disincentive for people to bid at a higher price, which in turn will lead to a further reduction in supply.

I wish to make a quick point on the supply of commercial property, because there is a specific measure that the Government could introduce to provide an additional supply of commercial property which, as we move out of recession, will be increasingly important, at it applies to the non-domestic rates for commercial property that have been in effect since April 2008. For decades before that date, Governments helped struggling businesses through the application of empty property rates relief as an incentive to bring empty commercial property into use; my hon. Friend the Member for Carlisle (John Stevenson) raised the issue of bringing empty housing into use.

If there is insufficient activity in the economy, it does not matter what the rent is, because very often the commercial property will not have a use. That leads to two things: the demolition of commercial buildings, and the fact that there is no speculative building of new commercial premises, because if someone constructs a building they end up with an immediate liability for non-domestic rates on an empty building; they have an outflow before there is any inflow. As the economy recovers, it will be important to ensure that premises are available for our businesses to use. I again congratulate the hon. Member for Watford on introducing the debate, and I look forward to the Minister's response.

12.12 pm

Alison Seabeck (Plymouth, Moor View) (Lab): I need to draw Members' attention to the entry in the Register of Members' Financial Interests under the name of my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford), because he is my partner.

This issue is of real importance, and I congratulate the hon. Member for Watford (Richard Harrington) on securing the debate, on developing a strong case for action, and on raising concerns that the Localism Bill will not do what it says on the tin. I look forward to the Minister's response to the hon. Gentleman's well-argued policy points.

House prices are falling and are projected to fall during this year in most regions. The Office for Budget Responsibility has significantly downgraded the prospects for house price growth throughout this Parliament. In December, there was a further fall in mortgage lending of 6% from the previous month, and money market rates are rising, which will have an impact on existing borrowers and create a potential for higher mortgage arrears and repossessions.

Some Government Members spoke with optimism, albeit muted, about the prospects for the housing market. Many raised concerns about the mix of the market, and asked genuine questions about the new homes bonus and the conflict between people not wanting new houses in their neighbourhoods but understanding that their children and grandchildren need housing. The hon. Members for Peterborough (Mr Jackson) and for Rugby (Mark Pawsey) raised those issues. The hon. Member for Waveney (Peter Aldous) reinforced, with some expertise, the points that he made in the Second Reading debate on the Localism Bill, and the hon. Member for Plymouth, Sutton and Devonport (Oliver Colvile) spoke with passion about the planning system, land assembly and, interestingly, the importance of design, a sentiment with which I concur. The importance of growth in sustaining the economy and the housing market was obviously mentioned, and Opposition Members will clearly be worried by the comments of the outgoing director general of the CBI, who said that the Government are not doing enough to encourage growth and that decisions are being taken for political reasons.

Politics in the housing market perhaps does not work well, and I suspect that previous Labour Governments learned that lesson too. Stability in house prices depends on a balance between supply and demand, complemented by a financing system that matches the aspirations of people who want to own their own homes and has the capacity to provide finance. We are not building enough homes to meet the demands of the population, and that goes for homes in the private market, homes for shared ownership and subsidised social rents. We are likely to see fewer additional affordable homes built than during the previous Parliament, when the housing industry

[Alison Seabeck]

was hit as hard as any sector of the economy from 2007-08 onwards, first by the credit crunch and then because of the recession. According to the Minister's figures—they were confirmed in a written answer from the Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell) who, unusually, is not here as he is in Committee—in the previous Parliament, 199,800 additional affordable homes were built. In this Parliament, the Government are aspiring to build only up to 150,000, which is not particularly ambitious.

The Government tell us that development will be driven at a local level via the new homes bonus. The hon. Member for Watford raised concerns here. However, according to the analysis I have seen, if the new homes bonus will work anywhere, it will work in the south-east—not, as my hon. Friend the Member for Hyndburn (Graham Jones) has on many occasions said, in the north. I share the concerns raised by the hon. Member for Peterborough that perhaps impact assessments should have been done prior to the policy being brought forward, so that we really understood where housing needs existed. That reinforces Labour Members' arguments that the Government are moving too far too fast and that they are not looking at the evidence.

Only last week, the Conservative leaders of 21 councils in the south-east wrote an open letter to the Minister in which they declared their serious concerns. They said that they did not see how the new homes bonus scheme provided enough of an incentive to communities for them to welcome development. Again, those concerns were reinforced by Conservative Members. I am also a little surprised that the right hon. Gentleman the Minister of State, Cabinet Office, is not riding shotgun for the Minister today to ensure that he says all the right things and to protect his back from his own side. Perhaps the Minister will enlighten us on the right hon. Gentleman's contribution to his Government's housing policy—the secret review.

The supply of social homes is also relevant to preventing a build up of pressure on an already squeezed private rented sector, tempering rents and allowing potential first-time buyers in the private sector to build up a deposit. The Minister has overseen a process whereby the budget for building new homes has been more than halved and he has placed his faith in the intermediate rent model, which will see social rents charged at up to 80% of the market rent in a given area. In the rest of the country, there is considerable unease that the 80% model will fail to deliver the necessary homes, because for housing associations to move to that model will require a change in their entire business model and therefore necessitate a restructuring of their borrowing with the banks. That will drive up costs and make that method of financing home building unpalatable at best and unworkable at worst. Housing associations are, of course, important contributors to the low-cost home ownership market and shared-ownership markets.

We have noticed, housing experts have noticed and local government leaders have noticed—we have therefore now been told that Downing street has noticed—that the shine is coming off the Minister's policies. In addition to the developing crisis of supply, we have a similar situation with demand, which will also be affected. I disagree to an extent with the hon. Member for Watford. Unemployment is rising, wages across the public sector have been frozen, mortgage interest rates are already increasing and, with inflation pushing higher because of the hike in VAT, I doubt it will be long before the Bank of England considers that an increase in the base rate is on the cards.

The FSA's review of the mortgage market, which many hon. Members have mentioned, has mortgage providers and house builders on tenterhooks. Although the Minister's press team made sure that we were all aware that he would be meeting the FSA—I have also met the FSA—I have not heard very much from the Minister about the meeting's outcome or what he would like to see out of that review. What did the Minister press Hector Sants to do? Did he ask him to tighten regulation, so that the market stagnates and prices remain low? Or did he argue that regulations should be loosened to encourage more people into the market to stimulate it? Which was it? A stable housing market is a noble aspiration, but it requires concerted action across the sector to deliver the homes we need. I look forward to the Minister's comments.

12.19 pm

The Minister for Housing and Local Government (Grant Shapps): I start by congratulating my hon. Friend the Member for Watford (Richard Harrington) on securing the debate, to which there has been an absolutely terrific response. There has been a great deal of support, particularly from Conservative Members, for the subjects being discussed. As my hon. Friend mentioned, I did not just go to school in Watford; I was born and brought up there. As I said, it has been a good and intelligent debate. I will try to address as many of the points made as I can, but I put hon. Members on alert that because some of them went into quite a bit of detail, I will study the transcript of the debate and get back to hon. Members on some of the specifics raised if I run out of time. I am particularly thinking of my hon. Friend the Member for Waveney (Peter Aldous), who raised a series of detailed points that I do not think I will have time to cover.

Alison Seabeck: Will the Minister provide that correspondence to other hon. Members who are present?

Grant Shapps: Yes, by all means. I have no objection at all to making this a completely open exercise, and my officials will have noted my comments.

As to what we know about the old system, several Members mentioned that it had completely and utterly failed. We did not get to the lowest house building levels since 1923 under the new system, but under a top-down, almost Stalinist approach, which said that we would be able to build the top number of homes that we had set out in the 10-year plan. The pledge was to build 3 million homes by 2020, but the number built crashed through the floor.

The problem was not just the total number of homes being built, but the number of affordable homes, which was derisory, and I know that the Opposition housing spokesman, the hon. Member for Plymouth, Moor View (Alison Seabeck), agrees. Concern was expressed about the amount of affordable housing that would be built under our plans, but despite the £17 billion pumped

into affordable house building over 13 years by the previous Government, the impact was a net loss of 45,000 affordable homes. I can assure the hon. Lady that the coalition Government will do better than that every single year.

Sheila Gilmore (Edinburgh East) (Lab): Will the Minister not accept that one reason for the net loss in housing is the right to buy? Is he at all interested in the steps being taken by the Scottish Parliament to restrict the right to buy with a view to increasing supply?

Grant Shapps: I cannot answer for the 13 years of the Labour Government, but they had adequate time to make whatever changes they wanted on that front. However, the argument about the right to buy is very much yesterday's argument; it is literally about the '80s and '90s. This year, no more than 2,000 people nationwide are likely to exercise their right to buy. The issue is not the right to buy, but the pathfinder schemes—the housing market renewal that destroyed homes and neighbourhoods. It was partly responsible for our ending up with fewer homes than we started with after 17 years.

I want now to make some progress and to answer the substantive points raised in the debate, which were really about whether the new homes bonus will be sufficient to ensure that we get out of the hole we were left in and back to a world where we can build a sufficient number of homes to look after our population. I accept the comment by my hon. Friend the Member for Watford that the new homes bonus will not be enough. Before I address that, however, I want to point out how powerful an incentive it will be.

The new homes bonus represents nearly £1 billion, which is funded through the spending review programme. It will ensure that, wherever a home is built for the next six years, the same amount as is collected on the average council tax band there will be paid to the local authority. Where an affordable home is being built, an additional £350 is proposed in the consultation document, which is currently in front of me and which I am considering. The new homes bonus is therefore potentially an incredibly powerful incentive to get out there and build homes.

For the first time, there is some real benefit for the community of the individual authority. My hon. Friend the Member for Rugby (Mark Pawsey) mentioned a potential development that I went to see a few years ago. That development could build homes, bring money and facilities in for local people and be a win-win. My hon. Friend the Member for Peterborough (Mr Jackson), who is not called Peterborough's champion for nothing, rightly said that housing can have a dramatic and important influence in terms of improving an area if it is done in the right way and not imposed from the top, but not if it is driven by a regional spatial strategy that takes no account of local needs and requirements.

The new homes bonus will be a powerful incentive. As my hon. Friend said, the billion will run out at some point, so the answer is to go and build homes and use as much of the money as possible now. It will then be top-sliced from the formula grant. That, in itself, will be an important incentive to ensure that areas are not left behind as their neighbours develop.

Graham Jones: In my constituency, we have 2,500 empty properties. The new homes bonus will not benefit us when the top-slicing comes in. I did not really want to go down this road, because the debate is about under-supply, rather than over-supply, but the housing market renewal pathfinders, which the Minister has just described as disastrous, removed empty properties where few people were living in areas with an over-supply. Will the Minister briefly comment on that?

Grant Shapps: The hon. Gentleman and I have regular discussions on this subject in the Lobby. I can assure him that the new homes bonus will in no way disadvantage a community that finds it is having a net loss of population. In other words, it does not penalise it when its council tax base reduces from one year to the next, but it massively aids and helps when the base increases. Let us take, for example, a constituency in which a number of homes have been empty for a period of time. Sefton borough council, which I recently visited, has an area in which there are about 450 empty homes. When those homes are rebuilt and reoccupied, it will be able to claim the money from the new homes bonus. As that will be a guaranteed income stream for six years, it can borrow against that potential income and regenerate an area for which, I am afraid, the housing market renewal money has now dried up. It is possible, therefore, to use the new homes bonus in constituencies in the more heated parts of the country, which are perhaps not the most obvious locations.

In the remaining few minutes, let me return to the central theme of today's debate, which is that the new homes bonus is not intended to be the be-all and end-all. There is a whole variety of other mechanisms by which we intend to ensure that the housing market and the housing supply are increased. Let me take a few moments to list them. First, and most critically—the hon. Member for Plymouth, Moor View raised this herself—mortgage finance has been incredibly restrictive. If we look at the root of the problem of housing undersupply and oversupply, or rather of a heated-up market, we would find that between 1997 and 2007, there was no one calling time on the banks. They continued to lend even after they no longer had the balance sheets to sustain such activity. We can pin the blame on a number of factors. One factor in particular that has to be included is the moment at which the Bank of England was given control over interest rates while nobody was given control of regulating the banks. We need to ensure that the supply of credit from the banks is available. At the moment, it has gone completely the other way. The hon. Lady referred to my conversations with the FSA. I can tell her that I say exactly the same thing to the FSA that I say to this House and to the public, which is that there needs to be an adequate supply of lending, particularly to first-time buyers who are the motor that drives this whole issue and who are particularly relevant to housing supply. House builders are unable to build their product and sell it to anyone if there is no competition in the market place. Mortgage availability, therefore, is a very big issue.

Planning reform is another very large area. My hon. Friend the Member for Waveney mentioned the importance of reforming it. Let me reassure the House that the Localism Bill intends to do precisely that. There will be sweeping reform of planning rules. We will no longer have a system in which we go backwards and forwards and in which local communities are overridden by a planning inspectorate. Instead, plans will be put in place by the local community. Let me give one example.

[Grant Shapps]

The local development frameworks were only filed by 20% of councils because they were too complicated and they did not have local consent. Once local consent is built in to the heart of the system, there is every opportunity for planning decisions to be made much more quickly.

Let me refer to an intervention made by the hon. Lady with regard to whether this Government will be pro-development. The answer is that we will absolutely be pro sustainable development. We have never said that such an aim would be in the Bill; it would be the wrong place to put it. We have always said that it will be in the planning policy framework and that will make it absolutely clear that this Government are in favour of sustainable development. In fact, that is the default assumption.

The changes will create a new attitude towards planning. It will not be us against them—the developer against the local community. It will be people working together to try to improve their local communities through neighbourhood plans. We barely touched on the issue of community right to build, but local communities will be putting forward plans to develop their local areas. Ideas such as affordable rent and reform of the social housing market will help attract private sector finance for the first time. There is a whole range of options; I wish that we had more time to investigate them in greater detail. I will certainly write to all Members present with detailed answers to the points raised. I congratulate my hon. Friend once more on raising this important issue.

Chilcot Inquiry (Civil Service Code)

12.30 pm

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): It is a great pleasure to see you in the Chair, Mr Williams, ably chairing this debate as always.

One of the vital prerequisites of a Government-initiated inquiry is that it should be utterly independent and devoid of any conflicts of interest that might undermine its credibility and the veracity of its conclusions and findings. I shall detail why I have grave misgivings about the independence of the Chilcot inquiry, and why I believe that the inquiry process may be flawed and even compromised from the beginning. I realise that those are grave allegations, but I do not make them lightly.

Before I detail the problems as I see them, I should mention that about three years ago, some documents were dispatched to my office from an unknown source, bearing a note saying that they were top secret. Some were British in origin; others may well have been from other intelligence sources. They showed that in 2001-02, active discussions were taking place on how to move in against Saddam Hussein using overwhelming military force. The term "regime change" appeared. The documents proved beyond doubt that the UK Government were on course for war even then.

The documents must have been copies of authentic documents, as two senior officers from the Metropolitan police visited me and questioned me and my colleague Adam Price about them. At the time of that visit, the documents were not physically in our possession. I decided to leave them where they were and not disclose them to anyone. I could not tell the police officers who had leaked them, as I simply did not know, and neither did Adam Price.

When the Chilcot inquiry was set up, I decided that I should surrender the documents to the inquiry. I took them to the inquiry's office in Victoria street and handed them to Mrs Margaret Aldred, the secretary of the inquiry. I said that I had evidence that might be of assistance to the inquiry and asked Mrs Aldred if the inquiry would write to confirm whether I would be called to give evidence. I told her that I had no intention of politicking if I were called. The response was an icy stare and the words "I should jolly well hope not."

Months went by. I wrote on two or three occasions asking for a response, but no response was forthcoming until last autumn, some nine months later. I concluded that either the secretariat was not very orderly and professional or my letters had not been passed on to the chair of the inquiry, who eventually responded. I had been discreet. As a Member of Parliament for 19 years, I thought that I should have had the courtesy of a reply one way or the other within weeks rather than months.

I began to think that something might be amiss in the secretariat, and I made various inquiries about the process of appointing the secretary. I knew that the appointment fell under the civil service code, whose key values are openness, honesty, integrity and accuracy. Recent legislation has placed those values on a statutory basis. I then tabled some parliamentary questions, and I shall refer to two of them.

On 1 December, I asked

"(1) what skills and experience were identified as being required for the role of Secretary to the Iraq Inquiry; how many candidates were identified as having such skills and experience; and on what basis the successful candidate was selected;

(2) what steps were taken in the process of appointment of the Secretary to the Iraq Inquiry (a) to identify potential conflicts of interest and (b) to ensure that any such conflicts did not affect the independence of the inquiry."

The Parliamentary Secretary, Cabinet Office, the hon. Member for Ruislip, Northwood and Pinner (Mr. Hurd), responded:

"The Cabinet Secretary decided to nominate the Secretary to the Iraq Inquiry and agreed the appointment with the Chairman of the Inquiry. Both the Cabinet Secretary and the Chairman of the Inquiry agreed that the Secretary to the Inquiry should be a senior individual in the civil service ideally with previous involvement in Iraq issues."

The Chairman of the Inquiry has told the Cabinet Secretary that, in agreeing to the appointment, he was aware of the candidate's role in the Foreign and Defence Policy (formerly the Defence and Overseas Policy) Secretariat in the Cabinet Office from November 2004, and, given the professional standards of the senior civil service, saw no potential conflict of interest with her appointment as Secretary to the Inquiry that would, in his view, affect the independence of the Inquiry."—[*Official Report*, 1 December 2010; Vol. 519, c. 882W.]

It was, therefore, the Cabinet Secretary, Sir Gus O'Donnell, who put Mrs Margaret Aldred's name forward for appointment as the secretary to the inquiry, and it was accepted, nem. con., by its chair, Sir John Chilcot.

On 3 September 2009, Dr Chris Lamb, who has been very concerned about this issue, wrote a freedom of information request to the Cabinet Office asking for the precise details of the manner of the appointment. On 2 September 2010—one whole year later—a letter, signed off by Sue Gray of the propriety and ethics team of the Cabinet Office, was sent in response. It stated:

"The Cabinet Secretary himself decided to nominate Margaret Aldred, and agreed the appointment with Sir John Chilcot, shortly after Sir John himself had accepted his role as Inquiry Chair. Both the Cabinet Secretary and the Inquiry Chair felt that the Secretary needed to be a senior individual with the right experience and skills for the task. Her previous involvement in Iraq issues was balanced against that criteria, and the view taken was that it would be possible to manage any potential conflicts of interest. Margaret Aldred was assured of that position by the Cabinet Secretary from the outset. She took up the appointment full time on 1 September last year."

The appointment did not follow the procedures outlined in the civil service code—it appears that no other candidate was considered by Sir Gus O'Donnell, and the process could not be described in any way as open and transparent. I will repeat what I believe to be the letter's key phrase:

"Her previous involvement in Iraq issues was balanced against other criteria, and the view was taken that it would be possible to manage any potential conflicts of interest."

Unsurprisingly, Dr Lamb was totally unsatisfied with the answer. He made a complaint to the Information Commissioner, and it was dealt with by Jonathan Slee, a senior case officer, who concluded in a letter dated 26 October 2010 that there were two possible scenarios. The first was that the Cabinet Office had no recorded information

"concerning the discussions in question. That is to say, such discussions took place orally (as opposed to in writing) and no written record of them was ever created. If this was the case presumably the narrative description of these discussions/deliberations which is included in the internal review was based purely on individuals' recollection of them."

On the second scenario, he wrote:

"Alternatively, the Cabinet Office did hold recorded information evidencing the nature of these discussions. The most obvious format for such recorded information would presumably be letters/emails exchanged between the Cabinet Secretary and Inquiry Chairman regarding Margaret Aldred, although such recorded information could obviously extend to meeting notes/memos/records of telephone conversations."

The letter goes on to discuss another individual before noting:

"If this is the case, I suggested to the Cabinet Office that such recorded information was presumably used as the basis to provide the narrative description of the discussions which was included in the internal review. However, for the reasons set out above I suggested that Cabinet Office would not have fulfilled your request simply by describing the content of these recorded discussions. Rather the request would only be fulfilled by provision of the recorded information about the discussions themselves."

The pre-penultimate paragraph of the letter concludes:

"However, I appreciate that the manner in which the Cabinet Office has handled this request will no doubt have proved frustrating. I therefore intend to formally write to the Cabinet Office in order to highlight its errors in terms of handling this request, notably the failure to correctly determine whether it held information falling within the scope of the request when issuing its refusal notice; the very significant delay in conducting an internal review; and the fact that the content of the internal review was somewhat ambiguous in inferring that Cabinet Office did hold some recorded information."

Despite the best efforts of a very experienced researcher using the Freedom of Information Act 2000, it appears that there is no paper trail relating to the appointment or that, if there is, the Cabinet Office resolutely refuses to disclose it, for whatever reason.

We are left with the appointment of the deputy head of the Cabinet Office's foreign and defence policy secretariat, Margaret Aldred, as secretary to the inquiry that is inquiring into actions taken by her department during her tenure as its deputy head. So integral was she in policy development that she gave evidence to the Select Committee on Defence in June 1994 about whether weaponised biological agents were present. She was part and parcel of all the planning for Gulf war one. She regularly chaired the Iraq senior officials group, which co-ordinated Iraq policy across the Government.

The appointment process was unusual and unacceptable, and the irony will not be lost on the public. The process resurrected one of the worst features of sofa government, which was so criticised by the Butler inquiry, of which Sir John Chilcot was, sadly, a member. The inquiry secretary, who has a key role, is a Cabinet Office insider and was appointed because of her extensive previous involvement in Iraq policy. There is therefore a glaring conflict of interest. Some might say her position is untenable because the inquiry is looking into the period when she was active in Iraq policy, as I said.

The very same Cabinet Office has most to answer for over Iraq. The Cabinet Office, and Mrs Aldred's section in particular, drew up plans for regime change—an unlawful concept in international law. The Cabinet Office—the Joint Intelligence Committee and its staff—produced the discredited Iraq dossier, one of the least persuasive documents in recent political history, which is of dubious provenance and even more dubious veracity. Can the inquiry be independent, or is it a Cabinet Office subsidiary? Mrs Aldred's involvement and that of her section makes it difficult to know where the Cabinet Office ends and the inquiry begins.

[Mr Elfyn Llwyd]

Sir John Chilcot is leading an inquiry that is tasked with examining allegations that the previous Government was duplicitous towards Parliament and the public. Surely, when Sir Gus O'Donnell suggested his close colleague, so enmeshed as she was in the whole Iraq debacle, Sir John should have seen the obvious conflict of interest? Has Mrs Aldred played a part in the protocol that has limited the inquiry's scope? What steps have been taken to manage the conflict of interest? What steps could be taken to manage her glaring, obvious and painful conflict of interest?

During the period covered by the inquiry, the section of the Cabinet Office where Mrs Aldred worked was pivotal in the Government's policy towards Iraq. Margaret Aldred was deputy head of that section for four and a half of those eight years. The inquiry has not published a single document originated by the Cabinet Office. In July 2002, a briefing paper by the same part of the Cabinet Office expressed the hope

"that an ultimatum could be cast in terms which Saddam would reject".

In September 2002, Mrs Aldred's predecessor at the Cabinet Office wrote to Sir John Scarlett, then chairman of the Joint Intelligence Committee, suggesting that the Iraq dossier and qualifications in the original assessment were to be removed. That document was not disclosed to the Hutton inquiry and the Cabinet Office spent years trying to prevent its disclosure. In passing, I remind the House that it was Sir Gus O'Donnell who recently denied the Chilcot inquiry permission to publish the correspondence between President Bush and Mr Blair, despite the fact that both men were happy to refer to the correspondence in their respective autobiographies.

To conclude, Mrs Aldred routinely chaired the Iraq senior officials group; she met US officials in October 2008 to discuss Iraq; she was implicated in or knew of the rendition policy; she had the leaked document showing that she was copied in with respect to the rendition policy; and she flew to Washington for discussions with counterparts three weeks before the inquiry was announced. The following questions must in my view be answered. It may be difficult for the Minister to do so today, but clearly if he can write to me in due course that will suffice. I do not want to put him on the spot.

Is Mrs Margaret Aldred's role at the inquiry as central as her role in Iraq policy at the Cabinet Office? Did Sir Gus O'Donnell detail Mrs Aldred's involvement in Iraq policy precisely to Sir John Chilcot, and when she was appointed and the appointment was announced why was there no mention of her previous experience with Iraq policy? She is the gatekeeper to the inquiry. Does she advise on lines of inquiry? Does she liaise with the Government about evidence? We know that she liaises with the Government about the publication of information. Was she involved in the drawing up of the protocol that has stymied the process? It was published a month after she took up her role. Is she likely to draft the report?

Obviously, justice must be seen to be done. Transparency and openness are paramount. They are concepts that are signally absent from the inquiry process. I regret that one conclusion that can easily be drawn is that the inquiry process is flawed and compromised from the very beginning.

12.47 pm

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): Mr Williams, it is a pleasure to serve under your chairmanship for the first time. I know that my being English will not count against me in what would otherwise be a Welsh affair.

It is also a pleasure to respond to an important debate. The recent Iraq conflict, as we saw last week, stirs powerful emotions. We should recognise that the hon. Member for Dwyfor Meirionnydd (Mr Llwyd) has been one of the leaders of the debate on the legality of the war. He should be congratulated on his part in the democratic process. It is surely in the interest of all of us that the Chilcot inquiry should be conducted with impeccable impartiality and integrity. The hon. Gentleman obviously believes—and I listened to him carefully—that the process is, to use his words, flawed and compromised, principally by the process of appointing Margaret Aldred to the secretariat of the inquiry. As the hon. Gentleman was the first to admit, those are serious allegations, and should be responded to in like manner, not least for the sake of the reputation of the individual concerned, who cannot be here to defend herself.

I will simply disagree with the hon. Gentleman, not least because the chairman of the inquiry and his committee appear to be satisfied with their procedures, but I am happy to respond to the points that have been made. It might be helpful to provide some additional background context to the Iraq inquiry, in relation to the appointments that we are discussing.

The Iraq inquiry was launched, as the hon. Gentleman will know well, on 30 July 2009 with a remit to examine the United Kingdom's involvement in Iraq, including the way decisions were made and actions taken, to establish as accurately and reliably as possible what happened, and to identify lessons that can be learned. The committee is made up of Privy Counsellors, is chaired by Sir John Chilcot and has four other members: Sir Lawrence Freedman, Sir Martin Gilbert, Sir Roderic Lyne and Baroness Usha Prashar. I think that it is generally accepted—I certainly accept it, but I am not sure whether the hon. Gentleman shares my view—that each committee member is independent, non-partisan and committed to undertaking a thorough, rigorous and fair inquiry.

Mr Llwyd: It is no part of my view that any of the inquiry members should be impugned. I have no wish to denigrate them. I am discussing a conflict of interest specifically.

Mr Hurd: I am grateful to the hon. Gentleman for placing that on record and making it entirely clear. I am pleased that he has done so. Obviously, to some degree, their reputation and integrity are on the line, as the procedures for which they are responsible are being called into question. I am sure that they would take very seriously indeed any suggestion of mismanagement of a potential conflict of interest. As he says, it might undermine the integrity of the processes to which their names are attached. As I understand it, they have placed on record the fact that the committee and the secretariat work collectively. The committee is satisfied that its procedures are capable of dealing with any potential conflict of interest. The Privy Counsellors are supported by a secretariat staffed by civil servants who share their

commitment and are governed by the values of the civil service code, which I will address at the end of my remarks.

Having provided the background and context, I will address the role of the secretariat and the process of appointing the secretary, which is the crux of the hon. Gentleman's argument. The secretariat supports the chair of the inquiry and its members in carrying out their tasks. Its duties are varied and wide-ranging and include making logistical arrangements, requesting statements and papers and preparing papers for consideration by the committee.

The secretariat operates independently of the Department and is currently staffed by 16 civil servants drawn from seven Departments: the Cabinet Office, the Ministry of Defence, the Foreign and Commonwealth Office, Government Communications Headquarters, the Department for International Development, the Northern Ireland Office and the Serious Fraud Office. There are also two suitably cleared temporary support staff members supplied by a recruitment agency. Those appointments to the Iraq secretariat were made in line with Cabinet Office human resources procedures, which are similar to those used by other Departments to provide staff for inquiries. I understand that they were used most recently in relation to the Gibson inquiry. It is regular practice.

I will explain more. When the Government decide to establish an independent inquiry, the timing is such that it must often be done as a matter of priority and with a degree of urgency. Decisions about the chair and members of an inquiry are matters for the Government. It is usual for an inquiry secretariat to be staffed by civil servants on loan or secondment from Departments. Decisions about the secretary to an inquiry will normally be for the chair, and the secretary will then recruit the supporting team in consultation with the chair.

When considering individuals' suitability for secretariat roles, a number of factors are taken into account, ranging from availability to relevant skills and experience to the potential for any conflict of interest. I can confirm that that process was followed for the Iraq inquiry secretariat. The posts were not initially advertised, as they needed to be filled urgently. The secretary and the Cabinet Office human resources team worked with colleagues in other Departments to identify individuals considered suitable for the various roles, taking into account their availability, skills, knowledge, experience and any identified potential conflicts of interest. After the individuals had been agreed, the moves were made through the Cabinet Office human resources managed move policy.

Moving on from general recruitment, I will focus on the specific position in which the hon. Gentleman is interested, that of inquiry secretary. It is clearly a crucial role. The Cabinet Secretary discussed with Sir John Chilcot the experience, skills and background knowledge required and agreed that the secretary should be a senior individual in the civil service, ideally with previous knowledge and experience of defence and foreign affairs. The Cabinet Secretary proposed Margaret Aldred, who had been the deputy head of the Foreign and Defence Policy Secretariat—formerly the Defence and Overseas Policy Secretariat—in the Cabinet Office since November 2004. Sir John, after considering with others Mrs Aldred's background and experience, agreed. He did not call for more choices or more alternatives. He agreed with the proposal from the Cabinet Secretary. Given the professional standards of the senior civil service, he and the Cabinet Secretary concluded that there would not be a potential conflict of interest with her appointment, and it would not affect the independence of the inquiry. We strongly support his view.

Regarding Mrs Aldred's previous involvement in Iraq issues, which is the issue that concerns the hon. Gentleman, the inquiry has papers from the Cabinet Office covering the whole period of its terms of reference. Those include papers produced by the foreign and defence policy secretariat, in which Mrs Aldred was previously employed. In addition, it has heard evidence from the Prime Minister's foreign and defence policy advisers for whom Mrs Aldred worked.

Sir John and other committee members are fully satisfied that the secretary is discharging her role efficiently and effectively and with the highest levels of professionalism. Mrs Aldred is a highly experienced member of the senior civil service, with a deep understanding and knowledge of defence and foreign policy issues. Her previous work on Iraq has been handled by the inquiry in a way that is fair and open and avoids conflicts of interests. Again, I stress that the committee is satisfied that that does not have any negative impacts on the inquiry and does not call into question the independence of its work. It would be wrong to suggest otherwise.

Let me conclude by talking briefly about the civil service code and its values, because the hon. Gentleman suggested that this process cut across the bow of that code. The code and its values are clearly important in gaining a full appreciation of how they apply in relation to the secretariat to the Iraq inquiry. Let me start by covering the values. As civil servants, the inquiry secretary and other members of the secretariat are required to carry out their duties and responsibilities in accordance with the requirements of the civil service code, including integrity, honesty, objectivity and impartiality. They are also required to comply with the law and uphold the administration of justice. While working for the inquiry, the civil servants will be accountable to the inquiry for their work and actions.

To conclude, I have no doubt at all, if things are as the hon. Gentleman said, that some things should have been done better, not least in terms of the courtesy that should have been extended to him, and the length of time that it took to respond to the FOI request. I am sure that the people involved in that will think on it. But in terms of the core issue—the integrity and professionalism of the secretariat to the inquiry—I am pleased to have the opportunity to place on record my appreciation of the work done by the inquiry, which I am sure is shared by the House and the general public. I am also pleased to be able to put it on record that both I and the independent committee of Privy Counsellors who constitute the Iraq inquiry, and whose reputation and integrity are on the line in this process as well, are confident that the inquiry secretary and the other civil servants are providing impartial and objective advice to the inquiry in a way that upholds the impartiality of the civil service and preserves the independence of the inquiry.

Historic Homes

12.58 pm

Tony Baldry (Banbury) (Con): In a speech recently, my right hon. Friend the Prime Minister rightly observed that one of the generators of new jobs in the UK would be tourism. Tourists come to the UK for many reasons. I am glad to report that Bicester village in my constituency is now the most popular destination for Chinese tourists coming to the UK. However, the fact is that many tourists and visitors to the UK, while they are here, want to appreciate and experience our heritage, and of course heritage is also important for all of us, because historic heritage has helped to shape what each of us thinks and feels about where we live—our sense of place.

An important part of our heritage in England is our historic houses. Historic houses provide character and distinctiveness, and help to create pride in the places where people live. When people talk about heritage properties or historic houses, they understandably immediately think of the National Trust and English Heritage, which are in charitable and public ownership respectively. What many of us fail to realise fully is that, out of the historic houses open to the public, those that are privately owned, managed, and funded outnumber the total of those belonging to the National Trust and English Heritage put together.

My particular interest in initiating the debate is because, just outside Banbury, we have Broughton castle, which is a moated castle of considerable history that has been lived in by numerous successive generations of the Fiennes family. Something that most people—indeed, people from all corners of the world—know about my constituency is the traditional nursery rhyme:

"Ride a cock horse to Banbury Cross,
To see a fine lady on a white horse".

It is generally believed locally that the "fine" lady was, indeed, a "Fiennes" lady and that the nursery rhyme relates to the Fiennes family at Broughton castle, otherwise known as the Saye and Seles.

Broughton castle has been a distinctive part of the history of north Oxfordshire throughout the centuries and was a parliamentarian stronghold during the civil war. Numerous Fiennes were, on different occasions, my predecessors as Members of Parliament for Banbury. The present Lord and Lady Saye and Sele have been exemplary over the years in their commitment to the community in which they live. Both have been very active deputy lord lieutenants and have always been incredibly generous in allowing the community to use the castle and grounds at Broughton for community events. There has been everything from traditional church fêtes to charity fund raising pop concerts. Broughton castle is a local jewel. The whole community benefits not simply from the public access that is afforded to Broughton, but from the numerous and various spin-off benefits the castle provides to my constituency more widely.

Nat and Mariette Saye and Sele have been extremely generous to the extent that they have allowed Broughton to be used in aid of many local charitable and community purposes. However, the stewardship of a building as large and as old as Broughton must be a struggle. I sometimes think that there must be a risk that owners of historic houses become something of a captive of the house in which they live. For a stretch of nearly 15 years, one part or another of Broughton castle has been shrouded in scaffolding as the Saye and Seles have methodically maintained and repaired the castle. Indeed, any such historic house requires constant maintenance that never ends. Although the Saye and Seles at Broughton are exemplary stewards of an historic house, they are clearly not alone in what they do. Across the country, many such privately owned houses play a pivotal role in contributing to the local economy and supporting the local community.

The economic and social benefits of historic houses are considerable and quantifiable. Recently, the Heritage Lottery Fund published a report entitled, "Investing in Success: Heritage and the UK Tourism Economy." That report made clear the scale of the heritage tourism industry in the UK, estimating that its gross domestic product contributed some £20.6 billion to the UK economy. Indeed, the research established that the sector makes a bigger contribution to the UK GDP than, perhaps surprisingly, the advertising or film industries or even car manufacturing. Indeed, the heritage tourism sector directly supports an estimated 195,000 full-time equivalent jobs. Four in 10 incoming visitors or tourists to the UK cited heritage as the primary motivation for their trip to Britain, which was more than any other single factor. Of course, a considerable amount of spending on UK heritage comes from UK residents on holidays and day trips. It is not surprising that the most recent report of the Historic Houses Association shows that the possibilities provided by historic houses are endless and range from ghost hunts to sculpture gardens, from art exhibitions to music festivals and from bat walks to an international jesters' competition.

So why have I initiated the debate? Simply because, as I have indicated, it is a continuous struggle to find the money to ensure that many historic houses are properly maintained and repaired. The owners of historic houses in no way wish to be rentiers on the state, but in consideration of the fact that they continue to provide public access to their homes, and of the broader community and national benefit of historic houses, we all have an interest in trying to get the balance right.

I emphasise that what I am talking about here are historic houses that are open to the public and are regularly open to the public. For example, Broughton castle is advertised as being open to the public 50 days a year. In addition, it has booked groups on a further 50-plus days. Moreover, schools and other groups can book by appointment on pretty much any day of the year. These are historic houses that are regularly and frequently open to the general public.

Over the years, successive Governments have made honest attempts to provide support for historic houses. Heritage maintenance funds have been developed, the thinking behind which is straightforward and sound. The proposition is that it is not sufficient to protect designated heritage property from capital taxation if the supporting assets that are essential to maintain that heritage property are themselves whittled away by successive bites of capital tax.

The Finance Act 1976 provided that assets dedicated to supporting a designated heritage property, both in terms of maintenance and of the provision of public access to it, could be ring-fenced and settled in a heritage maintenance fund, which would itself be conditionally exempt from inheritance tax.

Comparatively few—135 or so—heritage maintenance funds have been set up over the past 30 years. The problem is that very few of them provide income and capital proceeds to support the maintenance and repair of historic buildings and land designated by the Treasury as being of national importance and usually with a public access condition. Very few are actively being used, and very few new HMFs are being created.

That is because income generated within HMFs is taxed at the trust rate, which is now 50%; capital gains generated within HMFs are subject to capital gains tax and there is now no indexation; and, as an unintended result of drafting of tax legislation in 2006, the active use of HMFs is effectively frozen for six to seven years every time there is a resettlement of the HMF. For every HMF in which the historic house is taxed as a business under case 1, schedule D, a resettlement is needed each time there is a transfer of ownership. It is estimated that about a third of HMFs are currently caught in this trap and many more will be sooner or later.

HMFs are not working as they were intended to work. That matters because HMFs were designed to help owners of nationally important heritage to maintain that heritage in the public interest. It is estimated that the owners of historic houses as a whole are putting £139 million into the maintenance of their own houses every year. That is a considerable amount of money, but not enough to stop the build-up of a backlog of urgent repairs worth some £390 million. An additional £20 million of maintenance a year is necessary just to keep up. All that happens is that the backlog of urgent repairs continues to grow, which is unsustainable.

The Historic Houses Association estimates that with some fairly modest improvements in the tax treatment of HMFs, one could generate an additional £12 million in maintenance each year, thus making significant inroads into the annual maintenance shortfall. Such a scheme would cost the Exchequer only about £6 million a year. The suggestions are to reduce the tax on income generated in HMFs to the basic rate, currently 20%, recognising that HMFs can be used only in support of the maintenance of the designated historic property; to exempt disposals of assets within HMFs from CGT so long as the proceeds are used for maintenance of the historic property, or reinvested in assets within the HMF; and to correct the drafting of the tax legislation so that HMFs would not be frozen each time there was a resettlement.

The cost to the Exchequer of the first two would be no more than £6 million per year, and the third— the technical correction—would be cost free. No CGT is being collected from HMFs caught in the trap because no disposals are being made.

Put shortly, HMFs have been on the statute book for more than 30 years. They need to be made workable and to fulfil the purpose for which they were intended—to provide a reasonable mechanism to enable owners of historic houses to maintain their houses and keep them open to the public. I hope that my hon. Friend the Minister's Department, as the sponsor Department for heritage and tourism, will work with officials in the Treasury and Her Majesty's Revenue and Customs to ensure that HMFs are made to work properly.

Will the Minister's Department have an overall look at how it is possible to reduce the regulatory burden and red tape on historic houses? Indeed, shortly after coming to office the coalition Government pledged to review and reduce regulation. Five areas have been highlighted in which action would be relatively simple to take at little or no cost to the Exchequer, and which would bring worthwhile benefits not only to those promoting historic houses and tourism, but to the wider economy. The first is licensing and the implementation of the 2006 Elton review recommendations, which called for changes to the fee structures for larger events; permission for historic rural venues to host occasional events; and for a de minimis approach when the licence or activity is small in relation to the overall activity taking place.

The second area is tourism signage and the hope that it would be possible to develop a policy to encourage the use of brown signs not just to manage traffic, but to promote tourism. Even under the current policy, there are inconsistencies in Highways Agency and local authority interpretation, resulting in some historic houses not being allowed tourism signs, or even losing their signs.

Thirdly, on planning, we need to promote a more flexible approach to the way in which planning applications for temporary structures, such as marquees, are handled. Marquees house special events that can significantly enrich the experience of visitors to historic places without compromising the historic value of the site. Indeed, the Palace of Westminster has had temporary permanent marquees on the Terrace for as long as I can recall, but they are, by definition, temporary and reversible. For some reason, some local authorities treat marquees as though they are permanent developments.

The fourth area is the application of fire safety rules to listed bed and breakfast accommodation. While recognising that fire safety is, of course, paramount, one needs to ensure that the application of fire safety regulations recognises the peculiarities and realities of historic buildings. Finally, we need to rethink the application of health and safety regulations in circumstances involving natural hazards, because, at present, it is undermining voluntary efforts to open the countryside for public access.

Historic houses are not just stone and mortar. They should be living places. The soul of a historic house is the family who live there. Those families are the most committed, responsible and, dare I say, cheapest curators of these parts of our national heritage. May I therefore urge the Minister to note that modest changes to heritage maintenance funds can bring long-term benefits at a relatively tiny annual cost to the Exchequer? Moreover, will his Department please do what it can to tackle excessive regulation?

Historic houses are inspirational places. They brighten our lives, whether through a day out, an educational visit, attending a wedding or a concert, or even through enjoying the setting of "Downton Abbey". Historic houses are there to be enjoyed, but they require constant maintenance and repair, which are heavy costs. It is only fair that there should be some sensible compact between the community as a whole and the curators of such houses for the provision that they make of them to the community.

1.12 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (John Penrose): It is pleasure, as always, to see you in the Chair, Mr Williams, for this important and timely debate. I congratulate my hon.

[John Penrose]

Friend the Member for Banbury (Tony Baldry) on raising the issue. He clearly has a strong personal interest and, as he has made clear, a strong constituency interest in the issues that he has raised, which I will try to address point by point.

I am the Minister with responsibility for tourism and heritage, and I think that the Government accept that there is a very close and entirely appropriate link between those two elements of British life. I accept and agree with my hon. Friend's central principle that heritage is a tremendously important part of British national life not only from a tourism perspective, but because, as he has rightly pointed out, heritage assets—be they houses, museums, prehistoric monuments or any of the things that we are lucky enough to have in this country—create a sense of place and convey the individual history and sense of character of a particular village or town. They are an essential part of what makes us us. We would be the poorer if we tried to pretend that that was not so, and it would be foolish to ignore what is one of our most central and important national assets.

My hon. Friend has rightly pointed out that heritage is one of the most frequently cited reasons for tourists to visit Britain in the first place, and it would be perverse of us to ignore or downplay that. He is, therefore, absolutely right to put the issue front and centre, and I could not agree more with the central principle that he is enunciating.

My hon. Friend is also right to applaud the work of the Historic Houses Association, which represents about 1,500 owners of historic houses up and down the country. Those owners are incredibly careful and committed stewards of the properties for which they are responsible, looking after them for themselves and for future generations of not only their own family but the communities in which their houses are located and the wider public in general, because, as he has rightly pointed out, many of those houses are open to the public, either permanently or periodically, giving us all a chance to enjoy one of the things that makes Britain unique among countries.

The HHA does some tremendously good work and its members are tremendously important, particularly because—as my hon. Friend has pointed out—it is easy to assume that heritage is just something that the state or government do. I am pleased to say that nothing could be further from the truth. We are lucky in this country to have a variety of different types of ownership and stewardship of our national heritage in its various forms. First, there is public ownership of some essential assets. English Heritage's properties, which my hon. Friend has mentioned, are a good example of such assets. Secondly, there is ownership by charitable or third sector—the voluntary and community sector—organisations. The National Trust is the biggest, most prominent and certainly the most famous of those organisations, but there are dozens—indeed, probably hundreds—of other charitable trusts and other such organisations that run other parts of our national heritage, and they all do extremely good work. Thirdly and finally, as we have already mentioned, there is of course private ownership. It is instructive—is it not?—to note that all three of these types of stewardship or ownership have extremely strong advocates and that all three perform tremendously good work in looking after our nation's heritage.

So there is not a preconception that only one system of ownership will work. In the UK, we are lucky to have a mixed economy—if I can call it that—in this sector and long may that continue. It is an essential part of ensuring that we do not have all our eggs in one basket and that our heritage is properly looked after in a number of different ways.

My hon. Friend made a series of points, and I will try to address them one a time. He began by explaining the background to heritage maintenance funds and some of what I think is their noble purpose. He said that a central theme underlies them, which he believes is, "Sensible is good sense," and I agree with him on that. However, he also pointed out that there is a fair degree of frustration, not only in the membership of the HHA but more broadly in the heritage world, about the limitations of HMFs and the fact that they are not necessarily working as many people would like them to.

I must say that, as the Minister with responsibility for tourism and heritage, nothing would give me greater pleasure than being able to turn around and promise my hon. Friend that all those issues concerning tax and the other details of HMFs can be dealt with by the wave of a magic wand or the stroke of a pen. Sadly, however, given the state of the national finances in particular, I cannot make that promise here today, although I suspect that my hon. Friend did not really expect me to do so. Nevertheless, it is important to note the concerns that he has rightly identified and outlined for us in the Chamber today.

It is also important to note some of the constraints on HMFs. It is worth while pointing out, as my hon. Friend did, that there are only 135 extant HMFs and that not all of them are active. Even if we were able to wave the magic wand that I have mentioned and remove some—or perhaps even all—of the constraints that he has pointed out, most estimates are that only another 40 or so HMFs would be established in the next five years. Given that the members of the HHA are responsible for 1,500 houses, we are talking about a comparatively small proportion of houses that would be affected, although some of them are tremendously important national assets—indeed, some are among our most famous and well recognised national assets. Nevertheless, the HMF scheme is quite a narrow one, as it currently stands. Therefore, there are many other assets—many other heritage properties—that are managing well without using that particular mechanism.

It is also true to say that the Treasury is rightly cautious about some of the proposals from the HHA. That is not because it dislikes the notion of heritage or trying to support it, but simply because it is concerned about the wider budget questions that this entire Parliament will be remembered for trying to grapple with and about the major issues that we face on the national deficit. It also needs to be clear that it cannot necessarily create a special deal for heritage charities, funds or trusts, because that might create the thin end of a rather larger wedge for other classes of asset.

The Treasury is interested, it is listening and it is concerned to address the issues that the Historic Houses Association has raised. I have spoken with the association, which has come to see me at the Department for Culture,

Media and Sport. I understand that there are also ongoing discussions between the association and my opposite numbers at the Treasury. I want to make it clear that my Department and the Treasury are also discussing these issues. A great deal of conversation is therefore going on, but it is subject to some fairly severe financial constraints, as I am sure that my hon. Friend will understand. Although, we both, I suspect, wish that those constraints did not exist, they are real, and it would be remiss and wrong of us to pretend otherwise.

Some of the proposals that the association suggests would be at least fiscally neutral are probably slightly easier for the Treasury to view more favourably than others, but I need to leave that to the Treasury, as I am sure my hon. Friend will understand. I am afraid that I cannot commit the Treasury in this debate, and there would be fairly serious repercussions if I tried. None the less, discussions are ongoing, and I hope that the association understands that it is being carefully listened to and that its audience is, wherever possible, being receptive to its concerns.

My hon. Friend has mentioned two issues concerning the broader deregulation agenda. One is licensing, particularly of live music and entertainment events. He gave some good examples of the great breadth of entertainment that is frequently provided by owners of historic houses up and down the country. The creativity and range of those events is continuously growing, and we can all cite examples of the events being held at historic properties in almost every constituency around the country, which is all to the good. The fact that such events take place is superb, because it provides a sustainable reason for many of these properties to continue to exist. It will make sure that they are living and thriving and that they are not just museums or mausoleums, but have a current purpose, which is excellent.

The second issue that my hon. Friend has mentioned is heritage signs—brown signs, as they are frequently called—on our motorways and other roads. In both cases—licensing and heritage signs—policy ideas are being discussed in my Department. I am afraid that I cannot give my hon. Friend a categorical promise at this stage, because the discussions are ongoing, and there would have to be sign-off all around Whitehall in the usual Cabinet government collective responsibility fashion, as I am sure that he understands as a former Minister himself. However, I promise that both ideas are under active discussion.

In the case of the licensing regime, a great many people have concerns. Musicians' unions, for example, are calling for deregulation. My hon. Friend will understand that if one chose to go down that route, it would be important to make sure that there were no unintended consequences. There are real risks associated with live entertainment of one kind or another, simply because it can involve a large number of people in a comparatively small space. There are therefore concerns about health and safety, the disturbance caused by people arriving at and leaving a venue, public order and so on. All those issues have to be dealt with, so the devil in deregulating, or reducing the amount of regulation involved in, the licensing of entertaining is very much in the detail.

I am, however, happy to reassure my hon. Friend that we are in the middle of discussions. I hope to have something to announce in due course, but that will rather depend on collective responsibility. My hon. Friend will understand that other Whitehall Departments are concerned to ensure that the right things are done on, for example, health and safety legislation or public order. The Department for Work and Pensions would be involved on health and safety, while the Home Office would be involved on public order. They have to sign off and approve these things, which have to be carefully and properly considered so that everybody is sure that we are not creating an unintended consequence.

My hon. Friend also mentioned his concerns about the red tape surrounding fire and health and safety regulations. He is absolutely right that due to dramatic changes in building styles over many centuries, historic buildings often create and deliver a unique set of complexities and difficulties for fire and health and safety inspectors. Because they are, by definition, unusual and rare, they present issues that are not necessarily common or frequently encountered in modern buildings. Therefore, a degree of sensitivity is required on the part of health and safety and fire inspectors. A fire regulation solution that might be normal, natural and fairly straightforward in a modern building might be deeply antithetical to a historic building and fundamentally undermine its essential historic character. An approved and appropriate set of solutions to many problems commonly encountered in historic buildings is increasingly widely available.

Of course, it is not sufficient to say, "Well, there's one answer that suits historic buildings and one that suits modern buildings." The sad and difficult point is that an answer to the problem of fire doors and so on in a 19th-century building could be completely inappropriate for an 18th or 17th-century building, and a timber-framed building would need a different set of solutions again. It requires an in-depth understanding of heritage issues and of the available solutions, but a widely understood range of solutions is increasingly being developed. However, I am sure that my hon. Friend is absolutely right that it would not hurt for those solutions to be more widely known, simply because it is easy otherwise for an individual inspector to fall out with the owner or heritage guardian of a historic house, which is unhelpful for all concerned.

Increasingly, there is a trend toward a risk-based approach to fire and health and safety inspections. Five, 10 or 15 years ago, some parts of the country had a rotational system where everybody was inspected every year, two years, three years or whatever, whether the property in question was well or badly run. Nowadays, I am pleased to say that there is a move in many parts of the country—I am told that it is spreading steadily—towards a risk-based approach. For a property that is known to be well-run and can be checked as such, perhaps a longer time can pass, whereas a property that causes grave concerns should perhaps be inspected more frequently and regularly. Such a flexible approach, particularly toward many of our excellently run heritage properties, is entirely sensible and appropriate.

I hope that I have reassured my hon. Friend and given him answers to some of the issues that he has raised. I repeat that he is absolutely correct that heritage is crucial to this country. It is one of the things that makes us what we are and distinguishes us from any other part of the world. I know that he and I are both committed to ensuring that our heritage assets are kept in good hands for future as well as current generations. I am sure that he will hold me to account for how we do so as ably as he has done in the past half-hour.

Neonicotinoid Pesticides

1.29 pm

Martin Caton (Gower) (Lab): Over recent years, there has been an alarming worldwide reduction in bee numbers. In the UK, similar declines have occurred in wild pollinators such as bumblebees, moths, hoverflies and butterflies. The causes of those losses have been much debated.

When I wrote to the Department for Environment, Food and Rural Affairs last month, Lord Henley replied to say that, in Britain at least, the combined factors included poor spring and summer weather, the varroa mite and other husbandry issues. My letter to the Department had been about the possibility that a group of systemic pesticides called neonicotinoids, and similar products, were contributing to the demise of bees and other pollinating insects. In response, Lord Henley said:

> "In the UK, neo-nicotinoid insecticides are used primarily in commercial agriculture and horticulture production. Only a very small proportion is used in home garden products so the potential risk to bees, if any, from this type of product is negligible".

He also assured me that the UK pesticide approval regime was robust and adequate.

I sought the debate today to urge the Government to be prepared to take a step back from that position and to look again at what is happening to the small creatures that contribute so much to our environment and food production. In particular, I ask them to examine, first, the growing weight of science that shows how neonicotinoid use and invertebrate losses are likely to be linked and, secondly, the evidence that the pesticide assessment regimes in Europe and the United States, as applied to systemics and the potential for environmental damage, are inadequate in identifying what is really going on.

In 2009 the British charity Buglife—The Invertebrate Conservation Trust conducted a review of all the available scientific literature about the effects of neonicotinoids and the Bayer product Imidacloprid in particular on non-target insect species. The report referred to 100 scientific studies and papers, and highlighted some real concerns that neonicotinoids are harmful to bees and other pollinating insects. It also identified a particular problem of insects ingesting tiny doses on repeated visits to treated plants. The testing methodology of the Imidacloprid draft assessment report under EU regulations was not sufficiently sensitive to detect that.

Mr Andrew Smith (Oxford East) (Lab): I congratulate my hon. Friend on securing this enormously important debate. He brings terrific expertise to the subject. Does he agree that, if there is any doubt about the adequacy of the regulatory regimes in Europe and the United States—and this is a classic instance—the precautionary principle should be applied? Given the crucial importance of bees and other insects in the ecosystem, it is a risk that we cannot afford to take.

Martin Caton: I go a long way with my right hon. Friend, but I do not think that the precautionary principle should be applied regardless of the degree of doubt; I shall come on to that a little later. However, if there is substantial doubt and good scientific evidence to give rise to doubt, the precautionary principle certainly should kick in.

Mel Stride (Central Devon) (Con): I thank the hon. Gentleman for obtaining the debate, because like him I believe that the issue of bees and pollination is extremely important, particularly in the west country where we have had problems with colony collapse. Does he agree that the evidence, circumstantial though it may be, to some degree, from France, Germany and Italy, where the substances have been banned, with a subsequent increase in the bee population, seems to point to a significant problem?

Martin Caton: I do agree. The evidence of increases is largely anecdotal, but I shall quote the president of the Italian Association of Beekeepers, because in the Po valley a ban was introduced. He said:

> "On behalf of bee-farmers working in a countryside dominated by maize crops, I wrote to the Minister of Agriculture to confirm the great news, for once: thanks to the suspension of the bee-killing seed coating, the hives in the Po Valley are flourishing again."

Caroline Lucas (Brighton, Pavilion) (Green): Does the hon. Gentleman share my concern that in European countries the initial licensing for such controversial pesticides is done by way of a draft assessment report organised by the manufacturer? Shockingly, the DAR for the commonest neonicotinoid used in Europe was put together by Bayer, who, surprise, surprise, did not find a problem with it. Does he agree that there is a problem with metholodogy?

Martin Caton: The hon. Lady has taken me to a point in my speech where I was intending to say the same thing; I may not have to say it now, thanks to her.

On the basis of its findings, Buglife called on the Government to reconsider the position of neonicotinoids, and to suspend existing outdoor approvals for the products pending the findings of a review. It also called for the development of international methodologies for assessing the effects of systemic pesticides and sub-lethal impacts on invertebrates.

Neil Carmichael (Stroud) (Con): There are a large number of beekeepers in my constituency, many of whom have contacted me about the issue, so I am pleased that the debate is happening, and grateful to the hon. Gentleman for securing it. It is important that the chemicals regulation directorate is encouraged to think about these issues and, if necessary, to research the health of bees in general. I certainly encourage the Minister to respond to that.

Martin Caton: That is a fair point. It is useful that the president of the British Beekeepers' Association issued a statement just a couple of days ago. Traditionally, that organisation has not been at the forefront of trying to get action taken, but it is now realising how serious the situation is and it is calling for an urgent review. We are all beginning to sing from the same hymn sheet.

The Government asked the chemicals regulation directorate to look at the Buglife report. In a letter to Buglife and the Soil Association, Lord Henley said that the Advisory Committee on Pesticides had conducted a further review. However, earlier this month, someone contacted the ACP to ask for a copy of the report and she was told that the ACP had not conducted a review of the Buglife report and that only the CRD had conducted the review. That same person then asked the

CRD for a copy of the review and she was told that it was not quite finished, as the directorate still needed to look at some data.

Even though the review was clearly not completed, Lord Henley felt able to tell Buglife that its report had highlighted a need in the risk assessment process for data on the impact of these pesticides on over-wintering bees and that the matter was being addressed. That was clearly a welcome step. However, he did not respond to the main thrust of that report on environmental damage, nor did he answer the main recommendations that I have just outlined. Buglife and the Soil Association have asked the Minister to supply a copy of the full report from the Advisory Committee on Pesticides, but that could be difficult because the report simply does not exist.

Andrew George (St Ives) (LD): The hon. Gentleman is making a very interesting case. Given that the problems of colony collapse and bee decline did not happen at the last general election and that the previous Government agreed welcome investment that went into research into the causes of colony collapse, has his research identified any evidence provided by DEFRA through the work that it has undertaken in examining the causes of colony collapse in the UK?

Martin Caton: Most of the research that I have looked at for this debate has been new research done by academic institutions that leads to further worries about the use of this particular group of systemics. I will come on to that in a moment.

Without a completed review of the report, DEFRA decided not to accept Buglife's interpretation of the current science and continues to maintain that

"We have a robust system for assessing risks from pesticides in the UK"

that is based on evidence. DEFRA goes on to state:

"current evidence shows that...there is not an unacceptable risk to bee health"

from these products. That statement was made as recently as last month. But how robust is a risk assessment regime that takes 16 months to deal with a report? That worries me because things have moved on considerably since the production of the Buglife report. Further scientific evidence has been produced over the past 15 months that strengthens the case. Four significant pieces of published research have emerged during that time. The first is a paper in *Ecotoxicology* by Nils Dittbrenner. It demonstrates a damaging impact on earthworm growth and activity at field level use of Imidacloprid. Secondly, work by the toxicologist, Dr Henk Tennekes, shows that low-level exposure to neonicotinoids by arthropods over a long time is likely to be as damaging as high exposure over a short time and hence more harmful than had been thought. Thirdly, work done by James Cresswell of Exeter university published in *Ecotoxicology* makes the case, from various pieces of lab work done by others, that a 6% to 20% reduction in honey bee performance is associated with the use of neonicotinoids. However, none of the field studies used to assess the impact of systemic pesticides would be able to detect a change in performance at that level.

Fourthly, a paper by Cedric Alaux of the French National Institute for Agricultural Research published in *Environmental Microbiology* demonstrates a clear link between neonicotinoid exposure and increased susceptibility to fatal nosema infections that could threaten pollinators. In addition, there is unpublished work that adds to the picture. One piece of work from the Netherlands shows widespread contamination of water bodies in that country and raises concerns about the impacts on the health of freshwater invertebrate populations. The other, from the USA, was the subject of the lead story in *The Independent* last Thursday under the headline, "Poisoned Spring".

In an exclusive, Michael McCarthy, the environment editor of *The Independent*, revealed work from the US Department of Agriculture's bee research lab, showing that neonicotinoid pesticides make honey bees far more susceptible to disease—even at tiny doses. Therefore, they have to be in the frame when we consider the causes of the colony collapse disorder that is having a devastating effect on bees around the world.

Julian Sturdy (York Outer) (Con): I congratulate the hon. Gentleman on securing this debate. Everyone in this Chamber, I think, agrees that bee health is a very important issue for the whole environment and for the environmental cycle. He has mentioned a number of factors that affect bee health and he has talked about pests and diseases. Does he not think that we should look at bee health as an overall issue and the impacts that are riding on that, rather than just focus on specific issues?

Martin Caton: That is exactly my case. The evidence against the neonicotinoids now is that they make bees and other pollinating insects more susceptible to diseases, so it is not just one factor. We cannot rule out the effect of these systemic pesticides. That is the mistake that has been made so far.

Dr Jeffrey Pettis and his team at the US Department found that increased disease infection happened even when the levels of the insecticides were so tiny that they could not subsequently be detected in the bees, although the researchers knew that they had been dosed with it. Those findings are completely in line with some of the other research that I have already mentioned. That research evidence from the other side of the Atlantic follows hard on the heels of the "leaked memo" from the US Environmental Protection Agency, which is about a newer neonicotinoid called Clothianidin. It is highly critical of the risk assessment process used in the US. It states:

"Information from standard tests and field studies, as well as incident reports involving other neonicotinoid insecticides, suggest the potential for long term toxic risk to honey bees and other beneficial insects."

Alarm bells should be ringing by now. Neonicotinoids are a group of relatively new compounds that mimic the insect-killing properties of nicotine. They are neurotoxins, attacking the central nervous system of the invertebrates. They are systemic, which means that they get taken into every part of the plant, including the pollen and nectar. In turn, that means that bees and other pollinating insects can absorb them and carry them back to their nests or hives.

In 2008, total neonicotinoid use in Britain involved more than 2.5 million acres—some quarter of the arable cropland in this country—and they are big earners for

[Martin Caton]

the chemical companies that produce them. According to the article in *The Independent*, the German company Bayer earned more than £500 million from the sale of its top-selling insecticide, Imidacloprid, in 2009, which fits in with the point made by the hon. Member for Brighton, Pavilion (Caroline Lucas). As she said, there is no independent monitoring of the process of gathering and assessing results by the manufacturer. When that is the foundation of the approval system, is it any surprise that we find disparities between the findings of subsequent independent research on this systemic pesticide and the research in its own 2005 draft assessment report?

We need to look again at the approval mechanism for crop protection. In doing so, we should be employing the precautionary principle.

Caroline Lucas: Does the hon. Gentleman not agree that DEFRA seems over-complacent about the issue of the ill health of bees? In 2005, I asked the European Commission to comment on cuts that were being made that would halve the number of seasonal bee inspectors. Given that it has been estimated that beekeeping contributes £165 million a year to the UK economy in direct costs and unquantifiable value to the health of our ecological systems, one would have thought that keeping a high number of seasonable bee inspectors would have been a good precautionary measure.

Martin Caton: I would not disagree with that. That leads me on to my next point. We are not just talking about honey bees. I am sure that all our hearts go out to beekeepers in these very difficult times, but only 8% of insect pollination is from honey bees; other pollinators contribute enormously to our food security and to the quality of our ecosystem.

As I have given way so many times, I will not be able quite to complete my speech, but I would like to make some points for the Minister to respond to. If he cannot do what I would really like him to do, which is to suspend the use of all new neonicotinoids from tomorrow, I request that he commit today, or in writing as soon as he can, to reviewing the new research that I have referred to, and to reconsidering the licences that have been granted. I request that he withdraw the licences that allow neonicotinoids to be used on plants that produce nectar and pollen until the evidence is clear that they have no impact on the environment, and that he establish a national monitoring system for pollinators and pollinating rates. I ask him to produce a formal response to the scientific papers to which I have just drawn attention, stating what concentrations of neonicotinoids are found in UK water bodies and whether the levels are routinely monitored. I also request that he ask the Environment Agency to work with other agencies to undertake a review of those levels, commissioning research that would be scientifically robust enough to clarify any link between the pesticides and UK populations of wild pollinators.

A Government who aim to be the greenest ever cannot ignore a hugely significant threat to arguably the most important tier of animal life on this planet. They need to act; now is the time to wake up and smell the coffee.

1.46 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): I, too, congratulate the hon. Member for Gower (Martin Caton) on securing the debate. I say that seriously, despite the fact that I am in the position of having to reply.

None of us, as MPs, is unaware of the widespread concern, which has existed for a number of years, about our bee population. As the hon. Gentleman has rightly said, colony collapse disorder is not something new. Soon after the Labour Government were elected in 1997, I took part, in my earlier incarnation as Opposition spokesman challenging the Government, in a debate about bee health, on the specific issue of varroa. Unfortunately, the Government took no notice at all, and the varroa mite is now widespread—some would argue endemic—with the real long-term impact unknown.

The issue to which the hon. Gentleman has specifically drawn our attention—neonicotinoids—has recently returned to the headlines, and he is absolutely right to raise it. I certainly do not want to portray any suggestion of complacency on the matter. I will not go over the points, which we all fully understand, about the importance of honey bees and other non-vertebrate pollinators to our agricultural crop and horticultural industries. We must not be complacent; we must take things very seriously.

I appreciate that the hon. Gentleman was running short of time, but he concluded his speech by rushing off a long list of questions, which I am afraid I did not have time to write down. I will happily undertake to respond to them when I read them in *Hansard*, but forgive me if I do not reply to them all now. One thing that is probably blatantly obvious, but which underlines all this, is that all pesticides are toxic. Even the naturally occurring ones that are approved in organic farming are toxic at some level. The question is about the level of usage, the accumulation and the other factors that determine whether that toxicity is a threat. Of course we accept that neonicotinoids, as much as any other pesticide, are toxic at certain levels and in certain doses.

Martin Caton: The fundamental point is that we have very strong evidence that even in tiny doses those particular systemic pesticides contribute to the demise of invertebrate populations. That has to be of great concern, and it often cannot be picked up in field trials, on which, understandably, most of our assessment is based.

Mr Paice: I have taken the hon. Gentleman's point on board. I understand it and will try to deal with it as best I can, because I certainly do not want in any way to imply that I am ignoring it or, to use his words, that the Government are being complacent about it. As he and others have said, the Government take pesticide regulation very seriously. All pesticides are rigorously assessed before they are approved for use, although I accept the point made by the hon. Member for Brighton, Pavilion (Caroline Lucas) that much of that information comes from the industry that developed them. However, the matter is open to public scrutiny after that by the advisory committee and the regulators, so if there were any implication that somehow those trial results were distorted intentionally, it would quickly come to light.

The conditions of use of a pesticide are set so that pesticides do not pose an unacceptable risk to people or to the wildlife in the countryside, which, of course, includes bees and other pollinators. I emphasise that there is a statutory code of practice about guidance to people who use pesticides on minimising the exposure of bees, including notifying local beekeepers 48 hours before their use.

We continue to fund research on pesticides and pollinators and in relation to monitoring the real-world impact of pesticides on bees. It is being considered as part of the wildlife incident investigation scheme, and we are adding those neonicotinoids that are not already covered to the programme of residues monitoring for honey.

The hon. Gentleman has rightly and understandably referred to the 2009 Buglife report. As he has said, Buglife basically took all the information that was available and reviewed it before publishing the report. The then Government fully reviewed that report and took advice from the independent Advisory Committee on Pesticides, and all the key research references were scrutinised and the implications considered. That involved drawing on the regulatory data set and any other publicly available information. The conclusion drawn at that time was that the Buglife report did not raise new issues—it would have been surprising if it had, given that it was simply going over all the information already held—and that it did not require changes to pesticide approvals.

Martin Caton: Is the Minister not concerned that we have discovered this month that the chemicals regulation directorate of the Health and Safety Executive, which was given the job, on behalf of the Government, of assessing the Buglife report, has still not completed its report and has not even completed collating the data? If we are really serious about dealing with this problem urgently, that is an appalling record. I do not blame the current Government alone—it is a failure of government.

Mr Paice: I shall write to the hon. Gentleman on the detail. His assertion is news to me, and I shall have to take it away with me. As he obviously appreciates, this is not my normal portfolio; I am covering for my noble Friend Lord Henley, who normally deals with bees.

What the Buglife report did do—there is no question about this—was indicate a gap in our knowledge on the effects of neonicotinoids on over-wintering bees. The point about that was right. We have supported the addition of studies on that issue to the European data requirements for pesticide regulation.

We continue to work with other regulators and to consider all the new evidence that emerges. We have discussed with James Cresswell of Exeter university his work on sub-lethal pesticide doses and bees, especially in relation to over-wintering. That is of interest, but as he himself fully acknowledges, questions remain about the environmental relevance of predominantly laboratory-based results. That is particularly relevant to the work to which the hon. Gentleman has referred by Henk Tennekes.

We are also, of course, aware of the work by Jeff Pettis in the United States, which is the origin of the article in *The Independent* to which the hon. Gentleman has referred. However, we have to recognise that Dr Pettis himself has challenged *The Independent* publicly about some of the assertions that it made. He has published the points on a website on that newspaper's own blog. Forgive me, Mr Williams, but I think that I need to read out some aspects of that. Dr Pettis has stated:

> "I noticed in your article that there is an implication that my research findings are perhaps being suppressed by the chemical industry. As the author of this study, I can tell you that the truth is that the review process on the paper has simply been lengthy, as is often the case, due to various factors, but that no outside forces are attempting to suppress this scientific information. The findings of an interaction between low level pesticide exposure and an increase in the gut pathogen Nosema were not unexpected; many such interactions are likely within the complex life of a honey bee colony. It is not possible to make a direct comparison with a lab study and what might occur in the field. Lab studies can give us insights into what may be occurring with beehives but we have yet to make this link. Honey bee health is complex and our findings support this. They do not provide a direct link to CCD colony losses but these results do provide leads for further study."

I say that not to reject what has been claimed, but to put it into proportion. Even the work's author rejects some aspects of the article that has caused so much understandable public concern recently.

George Freeman (Mid Norfolk) (Con): Will the Minister give way?

Mr Paice: I am afraid I cannot give way any more.

The author has repeatedly said that finding such an interaction does not tell us what might happen in the field. Nevertheless, as the hon. Member for Gower has rightly said, it causes us to think about what further work needs to be done.

The European Commission is developing proposals for bee health, including research, surveillance and measures to understand and tackle the decline of wild and managed bees. Only yesterday, we discussed the issue at the Agriculture Council in Brussels, where I publicly supported the need to develop such measures. In particular, I raised the issue of neonicotinoids, which must be researched on a European basis. As several hon. Members have said, the situation is not unique to this country and applies elsewhere in Europe. In that respect, I need to correct the assertion made by several hon. Members that those products have been banned by some of the countries that have been mentioned. Germany, France, Slovenia and Italy have introduced various restrictions, but none has totally banned the use of those products. We will work with Europe heavily on this issue.

The insect pollinators initiative will provide £10 million—that was decided by the previous Government—to look at the decline of pollinators. DEFRA is contributing £2.5 million to that work, which will include a project run by Dundee university to look at the effect of sub-lethal pesticide exposure on the brain and behaviour of bees during navigation and communication. DEFRA and the Welsh Assembly launched the healthy bees plan in 2009 to protect and improve the health of honey bees over the next 10 years. As part of that, DEFRA recently announced funding to train beekeepers to protect colonies against pests and diseases. The National Bee Unit, which is part of our Food and Environment Research Agency, has also announced scientific research in conjunction with Aberdeen university on varroa.

[Mr Paice]

I congratulate the hon. Gentleman, because it is important that we have had this opportunity to debate the issue. The fact that so many of my colleagues from all parts of the House have been present for a half-hour Adjournment debate underlines the fact that this is a matter of interest across the House. I will undertake to answer all the questions that the hon. Gentleman raised in his concluding remarks. I must stress that we are certainly not complacent, and I would be very angry if there were any implication that we were. From my perspective as the Minister with responsibility for agriculture, I fully recognise the importance of bees to food production in this country. The last thing that I want to do is to jeopardise the role of bees in any way.

I will take away the hon. Gentleman's remarks and am grateful to him for raising this issue. I hope that I have been able to give him some comfort that we are taking the issue seriously and that a number of actions are in play. Clearly, however, we still need a lot more information.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 26 January 2011

[MR CLIVE BETTS *in the Chair*]

The Army and RAF Lyneham

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Dunne.)*

9.30 am

Mr James Gray (North Wiltshire) (Con): It is a pleasure to have the opportunity to have this debate, and to sit under your able chairmanship, Mr Betts. I am sure that the debate will be orderly and sensible with you looking after it.

I am here to talk about an extraordinarily important event for the people of North Wiltshire. The influence of RAF Lyneham in the community is extremely great, and the proposed closure of the RAF element of the base would, if nothing else were to be done about it, have a devastating effect. I thank my hon. Friends who have attended, particularly those from the county of Wiltshire—my hon. Friends the Members for Salisbury (John Glen) and for Chippenham (Duncan Hames). I also offer apologies from my hon. Friends the Members for South West Wiltshire (Dr Murrison) and for Devizes (Claire Perry), both of whom would have been here but unfortunately had to be elsewhere. We have, I think, unanimous support from Wiltshire Members, but I also see other hon. Friends with an interest in Wiltshire and am glad that they have taken the trouble to be here this morning.

I shall start by doing something one should never do, which is to disobey the Prime Minister. This time last week, Councillor Mary Champion, the mayor of Wootton Bassett, her deputy, Councillor Heaphy and Johnathan Bourne, the town clerk, had the great honour of being invited to No. 10 Downing street to see the Prime Minister, so that the Prime Minister could thank them and the people of Wootton Bassett for the efforts that they make in paying tribute to our fallen heroes as they come back down through Wootton Bassett high street. One of the things that the Prime Minister said to the mayor at that very pleasant meeting was, "Whatever you do, please don't let James start banging on about Lyneham. He's always banging on about Lyneham." I am sorry to have to say to the Prime Minister that I intend to continue to bang on about Lyneham as long as I possibly can, to the boredom of all who will listen, until we find a satisfactory solution, to avoid the potential catastrophe that would occur for my constituency if Lyneham were to be closed and nothing else were to be done. The issue is a huge one and I have taken a keen interest in it, and campaigned long and hard on it, over five or six years. It is about 12 months ago that we had a debate in this Chamber to discuss whether it was right that the RAF should leave the base. I am afraid I intend to keep up that effort until we come up with the right solution.

Before I move on to the substance of the matter, it is perhaps right, as we face the beginning of the end of repatriation ceremonies through Wootton Bassett, to pay tribute to the people of Wootton Bassett and surrounding areas. The Royal British Legion in Malmesbury, Chippenham, Calne and other parts come into the town, often once or twice in a week, in all weathers without fail, to bow their heads for two seconds in tribute to the coffins of the fallen that come back through the town. I think, looking back to the first of those occasions, that I was the only person there. It was after the tragic downing of flight XV179, the Hercules that was brought down in Iraq. I and the TV crews saw the 10 coffins coming through the high street. I said to the crews, "Turn off your cameras and we will go and pay our respects on the pavement." Ever since then, the people of Wootton Bassett have turned out in great numbers week by week. They do not want any thanks for it. They do it just because that is their civic duty and because they support the armed services, but none the less they stand proxy for the grief of the nation and it is right that we, here, should pay tribute to them. As we see the beginning of the end of those ceremonies, I hope that whichever place takes over the sad repatriation duties, whether that will be RAF Brize Norton or somewhere else, it will find some similar way of marking the occasion when the bodies are brought back to the nation.

This week there was a photograph in *The Daily Telegraph* of one of the last "Fat Albert" C-130s being carried by road past the iconic pillared town hall of Wootton Bassett. Seeing the end of RAF Lyneham coming down through the high street brought home a message to us all.

We in Wiltshire will say a sad farewell to the RAF. The nearby Yatesbury base still has the first world war officers' mess and hangars of the RAF, which was founded there roughly 100 years ago. Ever since then the RAF has had a home in Wiltshire. Sadly, when it leaves Lyneham later this year a long and distinguished link with the RAF will end.

Many people in the area are retired from the RAF. We thank the RAF for what it has done and say goodbye with great sadness. We have fought long and hard against the suggestion that the Hercules fleet should be moved to Brize Norton. I continue to believe that that is the wrong decision, but sadly it was taken too long ago to be reversed and we have now come to accept the reality that the RAF will leave. The last flights will be in August and September, and the base will be finally vacated by December 2012. We regret that and think that it is a wrong decision but have come to accept it as a fait accompli; there is nothing else we can do about it. So we say a sad farewell to the RAF and look forward to what will happen in the future.

I am concerned about the possibility that nothing will happen in the future, which is something that we have seen elsewhere; my own Government foolishly closed RAF Wroughton nearby and left it vacant for many years. Vandals moved in and the value declined, and the economy was damaged as a result. The same happened only 15 or 20 years ago when the Army left Corsham. Again, it was left vacant for a long time, the economy went down and the result was catastrophic.

Whatever happens to RAF Lyneham when the RAF leaves, we must re-use the site swiftly and cleanly. We must not allow Defence Estates to sit on it, or the vandals to move in. We must find a quick and speedy solution. After all, the local economy depends to a

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significant degree on the base. Something like 3,400 jobs are directly or indirectly dependent on it, according to a recent survey by Wiltshire council. About £90 million within the local economy comes from Lyneham. If the site were to be left vacant and nothing were to happen there it would be a disaster for the local economy. I am glad to say that two or three commercial interests are taking a keen interest in the site. I am working closely with them and will be keen to encourage them in every possible way and try to find other uses for the site. There are difficulties with that, but there are some commercial possibilities for the site, and I welcome that.

By far the strongest sense of what one might call local unanimity is on the point that when the RAF leaves later this year we would like the Army to return to the site. We were therefore much encouraged by what the Prime Minister had to say during his statement on the strategic defence and security review. He told the House that there would be

"changes in the way in which some RAF bases are used, but some are likely to be required by the Army as forces return from Germany. We owe it to communities up and down the country who have supported our armed forces for many years to engage with them before final decisions are taken."—[*Official Report*, 19 October 2010; Vol. 516, c. 798.]

Well, there is no community, up and down the land, that has supported our armed forces more than that of Lyneham, Wootton Bassett, Calne and the surrounding area. I hope that the vacated RAF Lyneham base will be one of the most attractive for the Army returning from Germany.

We believe that Lyneham, unlike one or two of the other bases around Britain that are similarly making bids for the Army, has some unique selling propositions. First, we have an immensely strong military connection. Half the British Army is in Wiltshire. Wiltshire is a military place. It is an agricultural place. It is a place of market towns and villages, a place of high-tech industries —we must not forget that—but it is predominantly, overwhelmingly, agricultural and military. The whole ethos of the place is military. Many of the people are ex-military and the people in the area support the military. I suspect that things would be quite different in some other bases where local people would, frankly, breathe a sigh of relief as they said goodbye to the military presence in their constituency. The people of North Wiltshire would very much welcome the Army.

The dossier that I presented to the Minister this morning included letters from Wiltshire council, Lyneham parish council, Wootton Bassett parish council, the chamber of commerce and a number of other people, all of whom are saying that they would like the Army to come to Lyneham. As nothing in this world is unanimous, I will no doubt be hearing from some people who do not agree with me. None the less, the overwhelming feeling in North Wiltshire is that we would like the Army to come to Lyneham. There is also a strong benefit of such a move for the Ministry of Defence itself.

Our first unique selling proposition is that we strongly support the military. As to who we would like to see coming in, I have a number of possible answers. The Prime Minister has announced that some 15,000 soldiers are returning from Germany, the details of which I will come back to in a second or two. We believe that a flexible brigade could fit into Lyneham. The base may be slightly too small, but there could be room for a multi-role brigade. Failing that, there are a number of smaller units located around the area. One thinks of Colerne in which the Signal Regiment is based. Nearby Hullavington houses one of the two Royal Logistics Corps Regiments in the area, the other one being in South Cerney. There are a number of other similar small units dotted around the area that could usefully be co-located at Lyneham, thereby saving a lot of money.

It has also been said that the university air squadrons, which are dotted around the place, could reuse the hardstanding at Lyneham. The base, therefore, could either house a multi-role brigade or be used for co-location. Someone else mentioned the Anglo-French rapid reaction corps. I know that the people of North Wiltshire would very much welcome French service personnel if indeed they were to form part of the rapid reaction corps. The fact that we have the RAF infrastructure on the base means that we can deploy people rapidly. There are thousands of square feet of hardstanding, hangars and an air traffic control building, which would be useful assets in the rapid deployment of forces, whether they be the Anglo-French rapid reaction corps, special forces or others.

Lyneham has a number of significant assets that could be offered to the Army. Without delaying the House too much, let me quickly run through them. Lyneham is a 1,359 acre site, which is much bigger than any other RAF or Army base. It is fully equipped and will be vacant by 2012 at the latest. The last flights are scheduled for August or September this year. However, if the Army wanted to move into the base sooner, I dare say that the RAF could hasten its exit.

Lyneham's main asset is its location. It is 20 miles at most from Salisbury plain—just a few minutes' flying time. It is close to all sorts of other training assets and to the M4, so Wales is not far away. There is a large number of training bases across the county, and the site is close to London, Berkshire and elsewhere. Therefore, it is ideally located for training.

Some other parts of the RAF are being located elsewhere. It would be wrong of me to mention any bases in particular. However, I must say that last night, I attended the Adjournment debate secured by the right hon. and learned Member for North East Fife (Sir Menzies Campbell). I support what he had to say, and he said it very well. None the less, Leuchars would be quite different in terms of training areas, as would Lossiemouth. Lyneham, on the other hand, is at the heart of the military and offers real training space.

Although I am not privy to the MOD's sometimes arcane accounting procedures—one chap understood them, but he died some years ago—we all know, I think, that when the Army comes back in very large numbers from Germany, the MOD will not have vast sums of money to spend on it. Among other things, the Army will need substantial accommodation and training facilities for its military personnel.

At its peak, Lyneham housed 3,500 RAF personnel and their families. There is a married quarters estate of 610 houses for other ranks and 155 houses for officers, which will largely be vacated by 2014 at the latest,

although I understand that a number are already occupied by soldiers from the 9 Supply Regiment Royal Logistics Corps.

There are 20 barrack blocks with 892 good-quality rooms. One block has multi-occupancy-rooms—two-man bedrooms—and four blocks have en-suite rooms, which is quite unusual. The sergeants' mess has 210 rooms and the officers' mess 135. Taking all the accommodation together, there are more than 2,000 bed spaces available, and they are available today, or as soon as the RAF leaves. The Army could literally march in as the RAF flies out.

The other ranks' dining room has capacity for 1,000 people. There is a large Navy, Army and Air Force Institute building, a Spar shop and every kind of sports facility—fitness suites, sports hall, tennis courts, squash courts, trim trail, four rugby and football pitches, a cricket square and a bowling alley. There is just about everything that one could possibly want by way of sporting facilities. Moreover, there is ample space for building a new barrack block or other facilities if they were needed.

The whole site is secure. The fence has recently been redone. There is some 14 km of fence around the site. Inside the wire, there are training facilities that include a lecture theatre and conference room, a training centre with three classrooms, various small classrooms, a 25-metre rifle range, a respirator testing chamber and a four-lane dismounted combat trainer, all of which would be useful for an incoming Army unit. The camp has several headquarters buildings, an unlimited supply of office space—the RAF seems to need a large number of offices, but the Army needs rather fewer. The site has a total of 12 hangars, with 52,000 square metres of internal storage space. It has about 50 hectares of runways and parking areas, which could presumably be used as hardstanding for all sorts of things. For example, there could be helicopter or fixed-wing rapid deployments from the base. The extensive runways would also be useful.

The site has vast military transport facilities. I am told that it has an 81,000 litre diesel and 27,000 litre petrol kerbside facility, an air traffic control building, fire services, explosives stores and so on. There are also first-class, recently rebuilt medical and dental centres. The infrastructure is all there. Although some parts of it may be a little tired, the MOD has, none the less, recently spent £5 million on upgrading the base. As I understand it, the standards required by the Army are slightly lower than those required by the RAF. Although the RAF may think some of the facilities are a little tired, I suspect that the Army would say, "This is significantly better than some of the places that we have found elsewhere."

I appreciate that the standard of accommodation in Germany is very high, as it should be, so if we are bringing soldiers back, we will have to offer them equivalent accommodation. In short, after a bit of rebuilding and tidying up, the site could be a most worthwhile base at a minimum cost to the MOD. If the MOD were to take over a less well supplied base, the cost would be considerable. There are, of course, many examples of RAF bases being reused by the Army across England. In my own constituency, RAF Hullavington is now home to the 9 Supply Regiment Royal Logistics Corps and Bassingbourn and Abingdon are both good examples of reusing RAF sites for the Army.

In addition to the military infrastructure that is readily available to the Army, there is good local infrastructure. Although Lyneham is predominantly a military village, the schools, roads, and shops are all in place. The Army could move in tomorrow and it would find that the civilian infrastructure was available. I was recently at a meeting with the head of the local primary school, who was very concerned that the RAF was leaving the area. The school is first class and was recently reopened by Her Royal Highness the Duchess of Cornwall. It could be available for use by the Army tomorrow. Very few places in the area could offer that kind of facility.

It seems that we in Lyneham are offering just what the Army needs. There is an additional, if not slightly negative, reason why the MOD should consider Lyneham's facilities. There could be problems with regard to the base if the Army were not to use it. It appears that there is a Crichel Down problem. I think that some 60 owners are laying some claim to the base and it could take some time—potentially, although not necessarily—for the Crichel Down thing to go through. However, that issue certainly needs further examination. Furthermore, if the base were to be handed over to civilian use there would doubtless have to be a significant level of decontamination, which would obviously have to be done to remove explosives, oil and other materials from the site. If that were to happen and the site were left vacant for a time, there would be all the costs of maintaining the site during the period that it was vacant, so there would be a significant cost to the Treasury of not doing something with the site swiftly.

So, from the point of the view of the Army, RAF Lyneham is highly attractive and from the point of view of the MOD, RAF Lyneham is a useful solution to a problem that it has. The MOD has been instructed to bring 15,000 soldiers in total back from Germany and it is currently considering what to do with them. The use of the site is also a useful solution from the point of view of the local area, which will face economic catastrophe if the Army does not use the site or if there is no alternative commercial use for it. Actually, marching the Army in as the RAF flies out some time later this year—I suppose that now it would have to happen next year—seems to be an extremely neat solution to a variety of problems. We have what the Army needs; the Army needs us; the Treasury needs Lyneham, and the local area needs the Army and would welcome the Army, as local people have made very clear. Also, I think that the nation owes a little bit to RAF Lyneham and Wootton Bassett for all that they have done in recent years.

So I hope that the Minister will listen carefully to the debate this morning. I am glad that we have such a large number of people here supporting our efforts. I do not imagine that the Minister will do anything other than listen carefully and nod wisely. I am not asking him to answer my requests straight away. However, I hope that he will listen carefully to what I have said; that he and his officials will read the dossier that I have given them; and that we have at least been able to add some knowledge to the consideration that I know is currently going on

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among large numbers of people at the MOD. I believe that Lyneham would be ideal for the Army and I also believe that the Army needs Lyneham.

9.51 am

Thomas Docherty (Dunfermline and West Fife) (Lab): Thank you for calling me, Mr Betts. It is a pleasure to serve under your chairmanship today.

First, I want to congratulate the hon. Member for North Wiltshire (Mr Gray) on securing this excellent debate and on the way in which he has made his case so eloquently. He and I have attended a number of debates in the past few months, which were secured by the hon. Member for South West Norfolk (Elizabeth Truss) and, as he has mentioned, the right hon. and learned Member for North East Fife (Sir Menzies Campbell).

What is very clear is the deeply held affection that communities up and down the United Kingdom have for their military bases, which has been demonstrated by their Members of Parliament. I am sure that we all pay tribute to the community around RAF Lyneham for the way in which it, as the hon. Member for North Wiltshire has said, has conducted itself and supported our gallant and fallen service personnel on their return from overseas.

I simply wish to make a few observations to the Minister to tease out some answers, as the hon. Gentleman has already tried to do. The Minister will obviously be aware that a large number of troops are due to return from overseas in the next few years. Obviously, he will also be aware that when the Chief of the Defence Staff appeared before the Select Committee on Defence, of which I am a member, he introduced a note of caution about the timetabling for the return of the troops from Germany.

It will probably not surprise you, Mr Betts, or indeed the Chamber, that two issues in particular concerned the CDS, and it is fair to say that those concerns were shared by the Defence Committee—I say that as I look at the hon. Member for Salisbury (John Glen), who is also a member of that Committee. The first was the issue of the troops' families. As the hon. Member for North Wiltshire has already said, it is not simply a case of bringing home 15,000 servicemen and women, because their families will obviously need to be accommodated. I remind the Minister that, according to his own Department's figures, accommodation for some 25,000 personnel within the defence estate of the United Kingdom is considered to be not of the highest standard, and my understanding is that there are currently no plans to upgrade that accommodation.

The second issue that concerned the CDS, as he pointed out when he appeared before the Defence Committee, is how we will educate the children of the returning service personnel. I do not wish to repeat the argument that the hon. Member for North Wiltshire and I had during consideration of the Armed Forces Bill about how to educate those children, but there is a very real issue about the schooling that we need to provide for all the children of returning personnel.

Mr Gray: It is worth paying tribute to the first-class Wootton Bassett comprehensive school, which is two or three miles down the road from Lyneham. At the moment, of course, its pupils are 30% to 40% RAF, so we would have primary and secondary school places immediately available in the surrounding area, if necessary.

Thomas Docherty: I am grateful to the hon. Gentleman for that clarification. I hope that the Minister will be able to go slightly further and give a guarantee that, as part of the assessment that I am sure he is making, there will be a proper assessment of the current capacity for education of returning service personnel's children and, if necessary, a guarantee that additional funds will be provided to any of the military bases—or rather, the local authorities in whose areas the military bases are located—that are chosen to house returning personnel, to ensure that we do not have a surplus of demand over capacity and so that no local authority is left with challenges as a result. I accept the hon. Gentleman's point that the schools in his local area already have that capacity, but I nevertheless hope that the Minister will carry out a proper assessment of this issue.

Regarding the accommodation of service personnel and their families, I would be grateful if the Minister were to tell the Chamber whether the MOD is confident that all accommodation at RAF Lyneham is of the highest standard. If it is not, can he say what the timetable is for bringing it up to a suitable standard?

As the hon. Member for North Wiltshire will recall, we touched on the final issue that I want to raise with the Minister today in last night's Adjournment debate. I have a long-standing concern that the MOD has perhaps not always carried out its decision making in a duly transparent way and has not sought to ensure that the communities affected by its decisions are the first to know about them. I hope that the Minister can give a guarantee today that not only will the process for any decision making on the return of troops and their stationing within the UK be conducted in a clear manner and that he will share the details of that process with the House and the Defence Committee, but that he will do everything within his power to ensure that the communities affected by those decisions are the first to know about them, then the House and lastly the media, rather than what has unfortunately happened in the past, where the media have found out about decisions before the communities affected by them.

I want to end by again congratulating the hon. Member for North Wiltshire on securing this debate and on his powerful words.

9.57 am

John Glen (Salisbury) (Con): First, I pay tribute to my hon. Friend the Member for North Wiltshire (Mr Gray) for securing this debate. As someone who grew up in north Wiltshire and who is aware of the footprint that RAF Lyneham has in the local area and in the county more widely, I also pay tribute to the work that my hon. Friend has done during the past seven years in campaigning to keep the RAF at Lyneham and to the work that he is now doing, as he reflects the reality of the decisions that have been made, looks to the future and seeks a constructive way forward.

I speak as both a Wiltshire MP and as a member of the Select Committee on Defence. It seems to me that there are three significant reasons why this case for having the Army come to RAF Lyneham needs to be carefully examined.

The first reason is that it is quite clear that there is huge symbolic significance to RAF Lyneham and its relationship with Wootton Bassett. It is impossible for the Government to pay great tribute, with one voice, to the people of Wootton Bassett, which is just a few miles down the road from RAF Lyneham, for all that they have done to recognise the huge contribution of all those who have fallen in battle, and at the same time, with another voice as it were, not to go out of their way to recognise the impact that this decision, if it does not go the right way, would have on the local community. Effectively, RAF Lyneham is the gateway between the UK and Afghanistan, and over many years the people of the surrounding area have made a massive contribution to the well-being of service personnel's families.

The motto of RAF Lyneham is "Support, Save and Supply". As my hon. Friend has set out fully this morning, the opportunities for RAF Lyneham to continue to serve the armed forces—in this case, the Army—are significant. The infrastructure is in place, and I do not need to point to the long history over the past 50 years of the people of Lyneham and Wootton Basset's service to the nation, but the decision has clearly been made to move the RAF to Brize Norton. We have to acknowledge, however, that we cannot make such decisions wholly without emotion and without respect for the wider issues at play in the vicinity.

The second reason is the economic value of RAF Lyneham. The hon. Member for Dunfermline and West Fife (Thomas Docherty) knows that the Defence Committee, of which I, too, am a member, looks at the strategic issues, but the economic arguments are massive. There are about 2,500 civilian and military personnel at Lyneham, and several thousand acres of land are connected with the base. The impact on the local economy has been estimated at about £90 million a year, so if Lyneham were to no longer have a significant military footprint, a considerable gap would be left which, as the chairman of Wootton Bassett chamber of commerce has pointed out, would be unsustainable. If the decision does not go the right way, there will be a direct adverse impact on the economy of Wootton Bassett.

Thirdly and finally, the strategic defence and security review has reached some uncomfortable conclusions, and it has made some difficult assessments of what needs to happen over the next 10 years, driven by the acknowledged financial mess that the Government have inherited. With 10,000 to 15,000 troops returning to the UK, we need to find the right situation for them to locate to, and it is absolutely clear that in Wiltshire the Army has a very welcoming home. In my constituency and that of my hon. Friend the Member for Devizes (Claire Perry), there are so many strategic reasons why it would make sense for the Army to locate to Lyneham. It has been suggested that the Royal Logistics Corps could move from South Cerney and Hullavington to the Lyneham base, but a number of other options are available.

I ask the Minister for a timely decision, because considerable ongoing debate would leave the local economy open to lots of uncertainty. If that is not possible, we must ensure that we put in place a clear plan for the economic regeneration of the area, and allow the options to be fully explored and quickly executed. If there is a problem with the transfer of assets from the RAF to the Army, it needs to be worked out and dealt with quickly and sensibly, rather than allowing internal wrangling in the Ministry of Defence to stop progress.

The case seems very clear: Lyneham is a symbolic home of the armed forces and should continue to be so, whether for the RAF or the Army. There is an absolutely sound economic case for that, and it also presents an effective, practical solution to a problem that will need to be dealt with over the next 10 years. An Army base at Lyneham makes sense, but we must ensure that it happens quickly, so that the people there can have some reassurance after their massive contribution over the past 10 years.

10.4 am

Duncan Hames (Chippenham) (LD): I congratulate my neighbour, the hon. Member for North Wiltshire (Mr Gray), on securing the debate and, in particular, on the dexterity and skill that went into securing a 90-minute one, which affords many more of us the opportunity to participate. I rise primarily to demonstrate the shared interests of my constituents and his.

Despite Wiltshire being a rural county, it has great affection for Lyneham and the RAF there. As we have heard, ordinary Wiltshire people, far beyond the confines of Wootton Bassett, share in the honourable act of respect for our fallen, and I have on occasion bumped into Chippenham residents after a repatriation there. Even before I was elected to Parliament, I was privileged to have the opportunity to visit RAF Lyneham as part of the excellent Supporting Britain's Reservists and Employers programme—SaBRE—where we saw a well maintained, busy base, which clearly had a number of people who lived further afield than the base participating in the effort. That is an important consideration in our approach to the future for Lyneham.

My honourable neighbour has made a comprehensive case for the military benefits of the Army coming to Lyneham, and I recognise that that must be the primary basis for any decisions, but it is important that I take the opportunity to set out some more of the economic consequences of the current situation. We have heard that the estimated contribution to the economy of the MOD's involvement at RAF Lyneham is some £90 million a year, and my constituents voluntarily raise the topic of that economic impact with me. The impact is felt over a wide area, and is reflected in the wide array of partners that have come together under his chairmanship of the Lyneham taskforce, as it has sought to put together a vision for Lyneham. Members of the taskforce include the South West regional development agency, Wiltshire council, Westlea—our local social landlord—and, importantly I would argue, the Wessex association of chambers of commerce, which, among representatives of business groups has a very acute understanding of the concerns of businesses in the area, and is an association of which I was a member until May last year.

I am pleased to report a conversation with the chairman of Chippenham chamber of commerce, who is very keen for the Army to come to Lyneham. The chamber is very concerned about the widespread and, from the point of view of ordinary members, hard to quantify consequences of leaving Lyneham empty. I suppose that we must consider that we might be unsuccessful in our calls today, for it will not be easy for either Wiltshire or the Ministry of Defence, to achieve alternative futures

[Duncan Hames]

for Lyneham, which the taskforce has carefully considered. Nevertheless, it is important that the Minister is aware that there is an easy alternative.

With level heads, the members of the taskforce have considered the future aviation use of the airfield and have concluded that a commercial airport development at RAF Lyneham would be wholly inappropriate. I echo the views expressed earlier in the debate of the importance of a timely decision. Too many communities in other parts of the country have seen areas blighted because unused defence assets have been hung on to, which ultimately leads to a very expensive regeneration effort. It is certainly the view of people in Wiltshire that we need a clear future for Lyneham before very long.

Without wishing to stray too far from the subject, there are lengthy debates about housing development in Wiltshire, and it is important to recognise that there are no easy get-outs to be had from taking such advantage of the land in Lyneham. Surely it is essential that any future development in Wiltshire involves sustainable communities. It would be a travesty if we built housing developments that did not provide jobs for the people living in our communities. Considering the large population expansions that even Wiltshire council still seems to desire in places such as Chippenham, we cannot afford to remove many jobs, which would create a great imbalance in the local economy.

Importantly, although the site is large, not all of it is suitable for development. We must consider the potential agricultural returns on the site, if it were not successfully reused by the Ministry of Defence. I urge the Department not to see the land as an asset to be sweated or a cash cow presenting financial benefit, or to use that as a reason not to support the exceptionally well-developed case made by all the partners under the leadership of my neighbour the hon. Member for North Wiltshire. I invite the Minister to consider in particular our anxiety for a swift decision about the future of Lyneham and the community's immense appetite for its continued association with the Ministry of Defence. It is an opportunity for us, as a community, to show our hospitality to the Army.

10.11 am

Mr Robert Syms (Poole) (Con): I rise to support my hon. Friend the Member for North Wiltshire (Mr Gray), who has campaigned assiduously for Lyneham and for investment in his constituency. I was born in Chippenham and, like my hon. Friend the Member for Salisbury (John Glen), I grew up in north Wiltshire. I therefore feel that I should make a brief contribution to support my hon. Friend and say that the key factor about RAF Lyneham is how much support it has had from local communities.

Lyneham, with its Hercules fleet, generates a lot of noise but precious few complaints. I lived in the area during the Falklands war, when lots of Chinook helicopters were ferrying supplies at all times of the day. Local people show great support for the RAF, and the RAF has been a good neighbour. Indeed, some of the biggest arguments that I have seen at local parish councils concern whose turn it is to go to the open day at Lyneham and perhaps get a trip in an aircraft. People value the connection with Lyneham, which is an important point for the future.

Mr Gray: I thank my hon. Friend for being here to speak in support of this debate. He is absolutely right. In my 14 years as a Member of Parliament for Lyneham, I do not remember a single letter of complaint from any constituent. There was one exception when a clay pigeon shoot was being held too near the wire—we had it moved—but with regard to military activity, I cannot remember a single complaint.

Mr Syms: That certainly reinforces my point that north Wiltshire and the military have had a close relationship. As my hon. Friend has said, Lyneham is a tremendous asset, given its sporting facilities and existing housing. I do not know what condition it is in—the hon. Member for Dunfermline and West Fife (Thomas Docherty) made a good point about the state of the defence estate; we must ensure that our armed service personnel have good-quality homes—but it is a material factor.

Lyneham is not only a good base for deploying units from Germany on military grounds, because we should pay attention to what is good for armed service personnel's families. There are homes near the base, but there are also a wide range of homes in the community for those who wish to buy. It is an RAF tradition for people to live in all the communities around the base including not only Swindon, but Chippenham, Calne, Wootton Bassett and Malmesbury—a lot of personnel have become part of local communities. North Wiltshire is an incredibly good place to live. It is conveniently located for the training grounds on Salisbury plain and in south Wales. I consider it a no-brainer to use Lyneham for a good military purpose.

My hon. Friend the Member for Chippenham (Duncan Hames) made the good point that, with the RAF going, a swift decision is sensible, so that we can make use of this tremendous asset and locate the military somewhere that they can train and base their families, with good-quality schools and education and a supportive community. That would be a good decision for the MOD, serving personnel and their families and the people of north Wiltshire, who have done a lot to support the military and will continue to do so.

10.14 am

Jack Lopresti (Filton and Bradley Stoke) (Con): I, too, congratulate my hon. Friend the Member for North Wiltshire (Mr Gray) on securing this important debate and on his work to support and champion the armed services generally as chairman and founder of the all-party parliamentary group for the armed forces. He hosts troops returning from Afghanistan here in the House of Commons, and I know that he served with the Honourable Artillery Company, so he has a personal understanding of the armed services. He has also been a champion and advocate for RAF Lyneham and his constituents for many years. I commend him on his tenacity in ensuring that the future of the base remains on the political agenda, despite the sad news that the RAF will be leaving Lyneham, with final vacant possession by December 2012.

It is right to pay tribute to the local community for its support of the armed services. We have all seen the poignant tributes on television in which local people and others from far afield pay homage to the fallen servicemen and women repatriated from Afghanistan who land at RAF Lyneham and then proceed through Wootton Bassett High street. It stands out in all our minds. Those residents express the gratitude that our nation feels to those who sacrifice their lives to protect our freedoms and way of life. That symbol of local support never fails to move me. It is one of the reasons why, to my mind, RAF Lyneham is well placed to become a new home for the Army. As my hon. Friend has pointed out, people in the area have unwillingly accepted that Lyneham will cease to be an RAF base by 2012. That is not to say that acceptance has been easy, but he has been resolute in championing Lyneham and making the case against its closure.

It is with a heavy heart that the people of North Wiltshire must say a sad farewell to the harmonious bond that they have had with the RAF for 80 years. However, the new Government have given at least some encouraging news. We were all heartened to hear my right hon. Friend the Prime Minister's announcement that as part of the strategic defence and security review, which other hon. Members have mentioned, our service personnel will return from Germany and some of them will be rehoused on a redundant RAF base. I take this opportunity to echo some of my hon. Friend's sensible arguments why Lyneham has much to offer as a home to some of our returning troops, but first, giving examples from my own experience, I will explain why maintaining an armed forces presence in Lyneham is of undeniable benefit.

As a Territorial Army recruit, I did most of my basic training at the Prince of Wales barracks in Grantham, which used to be an RAF base. I was posted to the Royal Citadel in Plymouth for six months before being deployed on Operation Herrick. Both camps are integral to their local communities, have a large beneficial effect on them and help project a positive image of the Army, with all the obvious benefits that that brings. Local areas clearly benefit socially and economically from the presence of a military base.

In Lyneham's case, the withdrawal of service personnel from the local community would have an immense impact. As my hon. Friend has mentioned, the study commissioned by Wiltshire council in 2009 demonstrated that the gross added value to the local community would be reduced by up to £90 million. Furthermore, 3,400 jobs in local services, retail and other sectors were likely to become redundant, and real household disposable income would decline by about £86 million. That is an obvious impact on local people. He was also right to mention the devastating economic consequences that the local area could face if the base closed permanently.

Besides the economic effects, one thing is abundantly clear: the people of Lyneham and the local area would welcome the Army, which must be one of our biggest considerations. Given Wiltshire's strong military connections and Lyneham's proximity to Salisbury plain, I see it as a natural choice for rehousing troops returning from Germany or further afield. Local people not only accept Lyneham as a military site—service personnel are already well integrated into Lyneham and the surrounding areas—but, given that 21,000 military personnel and their dependants reside in the county as a whole, the local area would need to change little if Lyneham, as we hope, becomes an Army base. As my hon. Friend has informed us, letters of support from the local community and the chamber of commerce are a clear indication that that is desired across the board.

In conclusion, I agree that rehousing returning troops at Lyneham would provide the Army with a large, convenient and well-resourced base close to major training areas and other military sites and offering readily accessible family accommodation. It is overwhelmingly clear that local people would welcome it, which is far from guaranteed elsewhere. There are prevailing reasons why serious and urgent consideration should be given to moving the Army to the site as soon as possible.

10.19 am

Mr Robert Buckland (South Swindon) (Con): I am grateful, Mr Betts, for the opportunity to speak in this debate. May I join the tributes to my neighbour and hon. Friend the Member for North Wiltshire (Mr Gray)? For many years, he has done his level best to maintain the presence of the Royal Air Force at Lyneham. Indeed, prior to the election, I had several conversations with him about his work, and I was struck in particular by the report that he and others prepared before the election. It outlined the very basis on which he secured today's debate, and it argued that civilian use of the Lyneham airfields was not appropriate, that the clean-up costs for the area would be considerable and that logic therefore dictated that military use of some kind—that is, the Army—was appropriate. I support that wholeheartedly.

Mr Gray: I am sorry for interrupting my hon. Friend's fine speech, but I want to correct him on one small point. I am absolutely committed to keeping the RAF at Lyneham and, after that, totally committed to getting the Army on to the site, but if there is to be no military use for it, I believe that we could use it for other civilian, commercial and industrial uses. I would certainly work with industry to try to make that possible and would not rule out commercial use.

Mr Buckland: Forgive me, but I was talking about the site's lack of suitability for use as a civilian airport. In fact, my hon. Friend the Member for Chippenham (Duncan Hames) also made that point. It would be incorrect to say that Lyneham has an unlimited range of options, and it is important that we reinforce that point. I support my hon. Friend the Member for North Wiltshire, however, in saying that, if we cannot retain military use for the area, we clearly need an action plan for commercial use, so that we can generate much-needed jobs.

The communities of North Wiltshire and of Wiltshire in general have always supported the presence of the Royal Air Force in their county. Moreover, it would be wrong of me not to pay tribute to the residents of Swindon, who play such an important part not only in supporting the work of RAF Lyneham, but in playing host to many personnel—both current and former—who work at the base but who live in my constituency or that of North Swindon. Some of the former personnel serve on Swindon council and are great friends of mine. They have years of experience in the RAF and feel strongly

[Mr Buckland]

that, if Lyneham cannot be retained for use by the Royal Air Force, it should be retained in some military capacity.

I pay tribute to the community of Wootton Bassett for playing host to the repatriation ceremonies. Anybody who has been to a ceremony will know exactly what my hon. Friend is talking about. It is a unique atmosphere in which the residents of the town, without too much fuss, take a few minutes from their busy lives to give time and space to pay homage to those returning from Afghanistan, whose families are given time to mourn their loss. Indeed, my hon. Friend and I had the pleasure and the honour of attending the Royal British Legion's field of remembrance in November, which was hosted by His Royal Highness Prince Harry. The event took place at Lydiard park in my constituency, but it was designed to acknowledge the contribution of Wootton Bassett and of the communities of North Wiltshire and Swindon to the repatriation ceremonies. At the end of those ceremonies, many motor vehicles containing my constituents returned to Swindon having played their part in supporting the town of Wootton Bassett.

I am grateful that my hon. Friend has referred to RAF Wroughton. It was an air base in my constituency, but it is now home to a large collection of Science museum artefacts that cannot be stored in London. The fact that they are now stored in the hangars of RAF Wroughton is an innovative use of the site. My hon. Friend is right to say, however, that far too much time was lost after the closure of the base to determine what would happen. Time brings deterioration and uncertainty, and it causes many problems in relation to sites as large as Wroughton—Lyneham is, of course, a very large site indeed.

It is right to pay tribute in passing to the former Princess Alexandra hospital, which served not only the RAF, but all military personnel so well until its sad, unfortunate and, I would say, wrong closure in 1996. Perhaps those who took that decision did not foresee the huge demands now placed upon the medical service by those who return from the theatre of war who are scarred not only physically, but psychologically by their experiences. As the MP and the candidate for South Swindon, it has been wonderful over the past few years to meet so many people who have shared their experiences of the theatre of war with me. They have educated me in some of the difficult issues faced by former and current service personnel.

Mr Gray: My hon. Friend is speaking extremely well on the subject. He is quite right about RAF Wroughton. As someone who was a special adviser to the Conservative Government who closed RAF Wroughton, we should put our hands up and say, "That was wrong—we shouldn't have done it." It was a first-class place and a very useful facility, and I wish that we had it today. I fear that the decision in relation to RAF Lyneham may be rather similar and that, if we let it go and do not put the Army there, we will look back in 10 years and say, "What a damned silly decision that was."

Mr Buckland: I am extremely grateful to my hon. Friend and I share his views entirely. Some important points have been made, particularly by the hon. Member for Dunfermline and West Fife (Thomas Docherty), about accommodation. It would be wrong to say that RAF Lyneham, although it is in a semi-rural setting, is not near large centres of population. As my hon. Friend the Member for Poole (Mr Syms) has said, many service personnel who work in Lyneham live in Swindon, which as you will know, Mr Betts, is a large town with a large population. We have for many years happily paid host to service personnel and their families. Having met many of them over the years, I know that they are happy and content to live in a community that welcomes them and that readily acknowledges the contribution of the armed services in the local area.

I do not, therefore, think that accommodation is at all the problem. In fact, I cannot identify a problem that would be an obstacle to the Army locating to Lyneham. As many other colleagues have said, Lyneham's proximity to the M4 and its generally central location in southern England make it an ideal location for large numbers of Army personnel. Frankly, I cannot think of a better place to relocate returning personnel from Germany. I do not think that there are any obstacles to bringing our personnel back to Lyneham.

I also point out that leisure facilities in Swindon are enjoyed by service personnel. We have all sorts of facilities—cinemas, sports venues, an ice rink, swimming pools, leisure centres—and plenty for the families of service personnel to enjoy. Indeed, the facilities are currently being enjoyed by service personnel, who, as I have said, are a very important part of our community.

I have mentioned the need for urgency and for decisions to be made quickly. My hon. Friend the Member for Salisbury (John Glen) has said that a timely decision is needed, and I cannot put it better myself. If the Army cannot be located to Lyneham, will the Government help the local council, local businesses and the local chambers of commerce to come together to draw up an economic plan for the use of the site?

Schools have been mentioned, and my hon. Friend the Member for North Wiltshire has referred to Wootton Bassett comprehensive school. Again, plenty of primary and secondary schools in Swindon are already being used by service personnel, who I am sure would warmly welcome the children of Army personnel who relocate to Lyneham. In my view, it would be a seamless transfer if the Army came to Lyneham. It would not be the imposition of a wholly new culture on a community that was unfamiliar with it and that did not understand or appreciate the contribution of the armed services.

I urge the Minister and the Government to take up the suggestions made today and in other places to acknowledge the contribution of the local community to the life of our armed services, and to conclude that Lyneham is a no-brainer when it comes to relocating Army personnel from Germany.

10.28 am

Mr Russell Brown (Dumfries and Galloway) (Lab): It is a pleasure to serve under your chairmanship this morning, Mr Betts. I congratulate the hon. Member for North Wiltshire (Mr Gray) on securing the debate. I pay tribute to his hon. Friends for attending the debate and showing support for the case that he has made. I appreciate from their contributions that they have given support over significant time and that they recognise the difficulties that lie ahead.

I fully recognise the hon. Gentleman's anxiety about the future of the base, its potential use and the undoubted socio-economic consequences of the closure of RAF Lyneham in just under two years' time. As has been said a couple of times this morning, he was present in the main Chamber yesterday evening, when the right hon. and learned Member for North East Fife (Sir Menzies Campbell) initiated an Adjournment debate— albeit a significantly less time consuming one—on his local RAF base at Leuchars. He made a strong defence of the need to retain Leuchars on the grounds of its militarily strategic location, and he sought to raise the important matter of the socio-economic impact of such a closure.

I recognise that a number of local chambers of commerce from the hon. Gentleman's constituency, including Wootton Bassett, have joined together to make the case for replacement employment at Lyneham. I want to put on the record my ongoing support for the people of Wootton Bassett. They have shown strength and fortitude over many months and, at the repatriation ceremonies that have regrettably taken place far too often, they have provided support for the families of those servicemen who have paid the ultimate sacrifice in the service of our country.

Unlike the uncertainty that surrounds RAF Leuchars, Lossiemouth or Marham, after a base review that took two years to conclude, it was determined in July 2003 that Lyneham would cease to operate in its current form. However, I recognise that that does not make it any easier for the people who are either on the base or living within the surrounding communities. Hon. Members have made the case that they want to see early decisions—the hon. Member for Chippenham (Duncan Hames) has said that swift decision making is important—but it is important that the right decisions are made. We need to take appropriate time to think through the consequences of any decision. I wholeheartedly agree that when that site is vacated, swift action should be taken to put something else in place. If nothing happens when not only military bases but major employers in all parts of the country vacate large sites, those sites can rapidly turn into wastelands. Considering the beauty of the hon. Gentleman's constituency and the surrounding area, we do not need a wasteland to develop at that location.

The hon. Gentleman made the point that the site is ideally located for training and that there is a standard of available accommodation. From what he said at the beginning of his contribution, I know that he appears to have the Prime Minister's support. Irrespective of which party we are in, many of us would consider that having the Prime Minister's support would mean we were making the right noises.

Mr Gray: Although I might seem to be arguing against my own case, I should perhaps make it clear that the Prime Minister has not said that he necessarily supports the Army going to RAF Lyneham. He knows that RAF Lyneham is one of a number of sites that the MOD is considering, and he has encouraged me to make the argument very strongly, but it would be quite wrong to claim that the Prime Minister has spoken in support of my argument, as he simply has not.

Mr Brown: The hon. Gentleman was just a little bit sharp on his feet, because I was about to make the point that he has the support of the Prime Minister in at least making the case. From what I have read in the *Western Daily Press*, the case needs to be made to the Secretary of State for Defence and to the Minister. I suspect that the hon. Gentleman might be somewhat anxious that back on 31 August it was being said that the Secretary of State

"has played down the chances of the West's biggest RAF base being occupied by thousands of soldiers".

If the manner in which the press have reported that is correct, the hon. Gentleman still has a battle to fight.

Mr Gray: I am most grateful for the hon. Gentleman's advice. The journalist who wrote that story, my good friend Tristan Cork, acknowledges that it is based on absolutely no facts whatsoever. The story was, of course, written before the strategic defence review was announced and before we knew that the soldiers were coming back from Germany. Dear old Tristan, who is a very good journalist and a close friend of mine, will acknowledge that he is not absolutely certain what that story was based on.

Mr Brown: I am astonished that journalists are not correct all the time, but I accept the hon. Gentleman's point.

As I said at the beginning of my contribution, it is clear that the hon. Gentleman and his hon. Friends have been arguing the case for RAF Lyneham since the announcement was first made in 2003. It is clear from the debate that he is not giving up one iota in bringing forward proposals for the future of the base. He has given the Minister what appears to be a significant document that outlines exactly what he would like to see. From what we have all heard in debates over the past weeks and months, however, I am sure that he recognises that something of a pitched battle is going on, because more than 15,000 troops are coming back from Germany. People are staking their claims to have those troops return to a variety of different locations across the UK to fill the gap that will be left when bases close. It will be appropriate for the Ministry of Defence and the Secretary of State to look at all those cases carefully before the final decision is made.

I am aware that, during the intervening period since the announcement of the base closure, certain tentative proposals have been flagged up. I only want to mention one, namely the proposal for the base to become a possible location for a consolidated support helicopter base under Project Belvedere. Regrettably for the hon. Gentleman, those on the base and the wider community, it was concluded that the proposal did not represent best value for money. Specifically, it was decided that the efficiencies that could have been achieved from such a major rationalisation programme would not produce the necessary return, given the investment that would have been required. If we are to consider whether some of the bases that will become vacant should become Army accommodation, perhaps some locations are more appropriate than others. The Minister may confirm this a little later, but significant investment might be needed in some of these locations. Value for money should be the underlying principle when the Government consider what to do.

I shall briefly return to the issue of decision making, because the Minister said yesterday evening:

[Mr Russell Brown]

"we do not expect that work to be concluded for some time yet, but we hope it will be by the summer."—[*Official Report*, 25 January 2011; Vol. 522, c. 270.]

I hope that the Minister will take the opportunity this morning to say whether the decision on the future of RAF Lyneham will be taken at the same time as the decision on all the other bases currently under review. It would be inappropriate if the Department and Ministers were looking at one set of bases and not reaching a decision on the subject of this discussion, so I hope that they are all in the melting pot together. I also want the Minister to give an indication of what options the Department and the Government are considering, if he can give any indication at all.

The big issue, to my mind, is the socio-economic impact of what is happening or is likely to happen. The hon. Member for Chippenham has mentioned £90 million per annum flowing into the local economy, which is a significant sum. Such a gap cannot be plugged easily. I am not convinced, although I am no economist, that merely by moving in a couple of thousand Army personnel and their families, we would plug the gap if that £90 million were lost.

Mr Gray: May I correct the hon. Gentleman slightly? I do not mean to intervene on him too often and am most grateful to him for being so generous with his time. He is wrong, because if 2,000 or 3,000 soldiers and their families were to move into the area, it would exactly replicate the RAF personnel who are leaving and would indeed plug the economic gap that he has described. If we got a reasonable number of soldiers in there, it would be precisely what we want for the local economy.

Mr Brown: I bow to the hon. Gentleman's probably better knowledge of what is happening in the locality. The main point that I am trying to make, to support the hon. Member for Chippenham, is that £90 million is a significant sum. That will need to be carefully considered.

In respect of finance, is the Minister prepared to say whether a specific and dedicated budget to assist with any transition arrangements for RAF Lyneham will be available? He will be determined to ensure that he keeps a tight check on the budget in the Department, but what additional support might be available to the local community if the MOD is not prepared to fulfil some of the wishes expressed this morning?

I fully recognise that it has been a traumatic time since the initial announcement in July 2003, and it is still a worrying time. Whatever the decision that Ministers and the Secretary of State make and whatever the outcome, if it is not good news, it will still be a devastating shock. I hope that, in the time that I am leaving available to the Minister this morning, he will be able to give a flavour of what is being considered by the Department, even though he cannot give details of any ultimate decision. We are all, perhaps a little tentatively, looking forward to the summer, when we will see the wider picture that he and his ministerial colleagues will be able to paint for the future of many of our bases.

10.42 am

The Minister for the Armed Forces (Nick Harvey): It is a pleasure to have you presiding over our deliberations, Mr Betts. I commend my hon. Friend the Member for North Wiltshire (Mr Gray) for initiating this important debate on RAF Lyneham and the effects on the surrounding community. Its importance is reflected in the fact that so many of my hon. Friends from the Wiltshire area have turned up to support him. I also thank him for the dossier that he has given me from local community leaders. I assure him that we will give full consideration to what it contains as we move forward with our decision making.

Hon. Members will know that my hon. Friend the Member for North Wiltshire has been an assiduous and persistent advocate for RAF Lyneham. In fact, during the previous Parliament, he must have raised it with almost as great a regularity as the fondly remembered Tam Dalyell raised the sinking of the Belgrano. Nothing would provoke me to imagine that he will be dropping the subject any time soon. He has campaigned industriously against the closure of Lyneham on behalf of his constituents, and I recognise that a wide section of his constituency has a very great concern about the future of the base.

I join my hon. Friend and several other hon. Members in paying tribute to the people of Wootton Bassett, who have provided such a dignified and moving homecoming for the deceased. That has been appreciated by the whole nation. We shall shortly be moving the repatriations to Brize Norton, but this is a moment to pay tribute to the people of Wootton Bassett for what they have done.

I also pay tribute to all the personnel who have served at RAF Lyneham since it opened for active service in 1940. It is rather an important point that, as has been said, it was announced in July 2003—getting on for eight years ago—that the future air transport and air-to-air refuelling fleets would be co-located at RAF Brize Norton by 2012. It must be acknowledged that the savings from that co-location will be significant. It is not possible to reopen that debate—the co-location is going ahead—but that decision meant that Lyneham would no longer be required for its current purpose, with current units leaving the base by 2012.

The Department has examined several alternative uses for the site. As the hon. Member for Dumfries and Galloway (Mr Brown), who speaks for the Opposition, has mentioned, it was considered as a consolidated support helicopter base under Project Belvedere, but for the reasons that he has outlined, that unfortunately did not work out.

Mr Gray: The Minister is, of course, right, and I would not seek to reopen that debate. We are none the less a little puzzled as to how it can be that we will save an enormous amount of money by co-locating the air transport fleet at RAF Brize Norton, but we would not save a similar amount by co-locating the helicopter fleet at Lyneham. There seems to be no logic in those two arguments: one co-location does not pay; the other does. However, that involved the previous Government, whom the hon. Member for Dumfries and Galloway (Mr Brown) supported, so perhaps we need not reopen that argument.

Nick Harvey: The key point is that when we are considering value for money, we have to balance the scale of the investment to build the facility against the savings that we will make from having everything at one location. I was not party to that decision, but clearly when those numbers were ground through the computers at the time, the judgment was arrived at that the Project Belvedere option did not represent value for money.

Since then, it has seemed unlikely that another defence use will be found for RAF Lyneham. I listened to my hon. Friend the Member for South Swindon (Mr Buckland) talking about the need for an economic plan, and I could not agree with him more. I am just mildly mystified as to why, 14 months before the base closes, the local civil population is talking about the need for a plan when the announcement that the base would cease its current role came eight years ago. The point that I am making is simply this: if there is to be a civilian use for RAF Lyneham in the future, rather than a military one—I am not saying for one moment that that will be the case—it will be for the local civil community to decide what that future will be.

The hon. Member for Dumfries and Galloway asked about transitional assistance. There is no precedent for that coming from defence funds in the cases of other base closures. It would certainly be something that other Departments and local authorities, particularly under the new localism agenda, would need to pick up. My hon. Friends are absolutely right, and the tone that has been struck—

John Glen: Will the Minister give way?

Nick Harvey: In a moment. The tone that has been struck by my hon. Friends thinking constructively and positively about what the alternative uses might be is exactly the right way forward from where we are now.

I have been asked about the timetable for a decision. I can only repeat that it is more important to get things right than to do them at breakneck speed. A detailed study is taking place of the entire defence estate and the ramifications of bringing nearly 20,000 personnel back from Germany. I reassure the Opposition spokesman that that is a comprehensive piece of work and that it will not be piecemeal. That work is going on at the moment, and it will take a few more months. In any event, we anticipate that decisions and announcements will be made before the summer recess, which is the approximate time frame for the decision. To that extent, my point about those in the local community knowing where they are will be resolved in the next few months, but it is wise for them to make contingency plans.

John Glen: The point that needs to be made is that local communities are being prevented from establishing a viable economic plan. They have done considerable work with Wiltshire council to establish an embryonic plan, but an MOD decision is required before that option can be fully explored. One cannot do the local plan before the MOD decision is known.

Nick Harvey: I am grateful to my hon. Friend for his intervention, but, with respect, this bone of comfort—that the Army might come back from Germany—has been thrown only in the past couple of months, and I am still mystified why planning for a civilian future did not start long ago.

Mr Gray: The Minister must not be mystified. The explanation is that the Lyneham taskforce convened within weeks of the original announcement in 2003, and the civilian-military co-operation involving Wiltshire council has been constant since then. The local community has been fully engaged for the past seven years in looking for alternative uses, so the Minister is quite wrong to think that we have not been. As he has said, however, the Army is a useful bone to be thrown at this stage.

Nick Harvey: I am grateful to my hon. Friend for clarifying that. Clearly, I had drawn the wrong implication from some of the other contributions, which suggested that we needed to form an economic plan now. My hon. Friend, in whose constituency Lyneham is based, has said that such plans exist, and it is useful to have that recorded and clarified, so I am grateful to him.

Since the announcement in October, work has been under way to look at the basing requirements of not only the Army, but the RAF and the Navy. As I said in previous debates, including the one about Marham and the one about Leuchars last night, that is a big piece of work; we must get it right, and we will take our time to do that. I hope that we will be in a position to put all these local communities out of their agony as soon as possible, and I readily acknowledge that uncertainty is being caused in every community.

We have received many representations from hon. Members, local authorities, local groups and the devolved Administrations, and we will do what we can to take them all on board. Of course, there will be socio-economic impacts, but that will be true at any of those bases. We recognise those impacts, but they must be balanced against each other. Our overriding consideration, at the Ministry of Defence, is the military arguments. Bringing the Army back from Germany is something that we will do only once, and it is important that we get it right and put the Army in the right place for the next several decades. I must stress that we cannot really have a beauty contest between different parts of the country to secure the prize of a base in their locality.

Whatever the outcome of the review, it must be about what is best for the armed forces. Bringing back the Army units stationed in Germany is not an easy job. Once it has been decided which units we are bringing back to which locations, detailed work will have to take place to plan those moves. As the Opposition spokesman has said, investments will have to be put in place to prepare the bases that will receive those Army units. The work going on to bring the Allied Rapid Reaction Corps back to Innsworth, near Gloucester, has taken years. I am sorry to disappoint my hon. Friend the Member for North Wiltshire, who painted a rosy picture of the Army marching in as the RAF marched out, but the likelihood of that happening is infinitesimally small. The programme to bring the Army back from Germany will happen over 10 years, and in almost no imaginable case will we see the Army march in as those vacating bases in the next year or two march out.

I implore Members to reflect on what was said in the strategic defence and security review about the Army's intention to organise itself into multi-role brigades.

[Nick Harvey]

Although we would not necessarily seek to accommodate an entire multi-role brigade on a single site, we will nevertheless want units to be located near enough to each other to use common training grounds and make formations as a brigade for training purposes. There is, therefore, a wide range of considerations. Is the new base big enough to accommodate the units? Does it have the right accommodation? How much would it cost to upgrade? How much new building will there have to be? What is access to training facilities like? Are the training facilities of the right type? How long will travelling distances to those facilities be? Where will the other units involved in training be? All those questions need addressing, and it will take time to balance them all and ensure that we get things right.

The hon. Member for Dumfries and Galloway asked about schools, and we will, of course, give every consideration to the education requirements of future military communities. He also asked about accommodation, and I acknowledge that there is a lot more work to be done on improving service family accommodation. However, I urge hon. Members to recognise our desire in the SDSR to build a new employment model for members of the Army. We want more super garrisons, so that people who progress through the Army will be able to spend more of their career in one place, which would be more like the Navy and the RAF, and therefore to put down roots and find houses among the local population. As we go forward into future years, more of the Government's effort will focus on ensuring that members of the armed forces can buy their own homes and settle in communities. Although I do not rule out building further family accommodation, we view that as the second-best option. The desire will be to help people settle into communities.

The hon. Gentleman also asked about the scrutiny process and how we will let communities know about decisions. It would be desirable to let some community leaders know before official announcements are made, but the only way to inform whole communities is through the media, so the hon. Gentleman's argument becomes slightly circular.

On the economic impact being £90 million, I agree with the intervention by my hon. Friend the Member for North Wiltshire, who said that replacing like with like has a neutral effect on the economy. I saw that in my own constituency, where the Marines replaced the RAF at Chivenor. The economy recovered fairly quickly, as did local services, schools and so on.

My hon. Friend has made a strong case on why Lyneham would be a good base for the Army. Many of his arguments have a great deal of merit. He mentioned the proximity to other Army units in Wiltshire and to Salisbury plain, and those are good arguments, as well as reasons why Lyneham is in quite a strong position as we look at the different bases.

The Opposition spokesman asked for guidance on how the Government's thinking is going. My point about multi-role brigades and the need for units that will make formations together to be within easy reach of each other is one of the factors, and the military's footprint across the different parts of the UK will be the other. One point that I would make about Salisbury plain, however, is that we must be realistic about its capacity to absorb a huge increase in the amount of Army training that goes on there.

The House has had debates about various other RAF bases. Obviously, every community is inclined to look at the worst-case scenario, but I reassure hon. Members that no decisions have been made yet, and we will continue to look at the whole issue with an open mind. Today has been a useful opportunity for the Wiltshire community to make particular local points. It has been useful to hear from the neighbours of my hon. Friend the Member for North Wiltshire about the impact on the wider Wiltshire economy, which I am well aware of. One way or the other, I travel through Wiltshire twice a week. My wife's family are from North Wiltshire and are still there, so I am familiar with the locality, and I can see the advantages of RAF Lyneham and the impact that it has on the community.

We must look beyond the local considerations, base by base, to the wider defence picture. We need to make the best use of our existing assets in the UK. I do not want to mislead Wiltshire Members into thinking that there is necessarily a future defence use for Lyneham at the moment—it is too soon to say that, because there is still a lot of work to do. In the mean time, we continue to make plans for the disposal of Lyneham. We shall, however, as I have said, try to put all the local communities out of their agony as soon as we can. We shall work with other Departments, devolved Administrations—where appropriate—and local authorities to ensure that our plans can be implemented with the least possible disruption for the communities affected.

As they were in the SDSR, our decisions must be objective, unsentimental and based on the military advice that we receive about what is best for the armed forces. We shall also have to look at what provides the best value for the taxpayer, and we shall, of course, consider the impact on communities and regional economies as we balance those factors. We must limit our resources to where they are most needed.

Chechnya

11 am

Jo Swinson (East Dunbartonshire) (LD): I am pleased to have the opportunity to bring the current political situation in Chechnya to the attention of the House, following my visit there last year with Lord Judd, to examine the human rights situation. Sadly, since I secured the debate, the instability of the Caucasus has once again risen high on the news agenda, following Monday's deadly suicide bomb attack at the airport in Moscow. Police sources say that the bomb bears the hallmarks of past attacks carried out by Chechens and other Islamic separatists from the Caucasus.

In 2009 Moscow declared that the situation in Chechnya had normalised, marking the end of its military operations in the republic. However, Chechnya and the north Caucasus region face a constant battle against terrorist insurgency, which, far too often, the world seems to ignore. From 2002 the parliamentary all-party group on human rights was keen to send a fact-finding mission to Chechnya. The eight-year delay is testament to the challenge of getting the permission of the Foreign Office and the Russian and Chechen authorities, all at the same time. I and Lord Judd want to thank Nicole Piché from the group, who organised the visit and accompanied us. Without her tenacity over eight years it would never have happened. We also thank the Foreign and Commonwealth Office officials here and in Moscow for their assistance and advice—particularly Iain Frew and Elena Arganat, who came with us to Chechnya. Their knowledge, insight and translation of both language and culture were invaluable.

I should like to draw attention to several issues of concern about the political situation in Chechnya: the security situation, and in particular the danger of young people being driven to extremism out of desperation; the regular human rights abuses, such as the house burnings and disappearances, of which we sadly heard tales during our visit; and the sinister and oppressive Chechen regime, with no accountability or judicial process, and a culture of impunity. I fear that all those problems will only continue, and indeed will get worse, before the international community understands that Chechnya is a destabilising sore, which is infecting the whole region. I hope that the Government will recognise the danger of Chechnya's situation and the importance of engagement with Russia, the EU and the wider international community to address it.

I want first to discuss the security situation. Last autumn's siege of the Chechen Parliament, when Islamic militants killed two police guards and four rebels died, hit the headlines all over the world. The suicide bombing of the Moscow metro in March 2010 brought Chechnya's "black widows" to international attention; the suspected perpetrators of the attacks were Chechen women who had lost husbands to the Russian military. However, such news attention on terrorist attacks for a few short days only plays into the hands of the militants, who relish the publicity. Instead a sustained and focused effort is needed to deal with the underlying problems of corruption and oppression.

Many in Moscow, and possibly beyond, may cling to the false notion that the security problems can be contained by President Ramzan Kadyrov's authoritarian regime. Keeping the population in check through a climate of fear and repression and the brutal crushing of dissent is fuelling tension. State-sponsored murder creates martyrs. A combination of desperation and revenge is driving some, often young, Chechens to what they see as the only alternative—the extremist cause. Kadyrov's Administration have justified some of their brutal acts on the grounds that they are fighting terrorists, who also use brutal means. However, the boundaries have become blurred between terrorists and dissidents. I do not think I am being cynical if I say it suits the regime for it to be so easy to silence any critics by denouncing them as terrorists.

The main focus of our trip was to investigate the human rights situation, in response to reports of appalling violations. On several occasions, we met the relatives of those who had been beaten, abducted and locked up in a far-flung prison on some trumped-up charge or who had disappeared. House burnings were another cruel tactic that was used. One woman placed three photographs in my palm. They were of her brother, her son and her daughter, all of whom had been killed or were missing. The fear was palpable. Speaking out about these abuses, even in a so-called private meeting, carries a real risk of reprisals that could see other family members being abducted, tortured or worse. I understand why so many people keep quiet in fear. I am in awe of the courage of those who speak out, through their grief, to try to secure justice, however slight the chance. In this context, the work of non-governmental organisations in protecting and promoting human rights is absolutely vital, although they operate in a very dangerous environment.

In July 2009, leading human rights activist Natalya Estemirova was abducted in Grozny, and found later near the border with Ingushetia with gunshot wounds to her head. The Estemirova murder sent shock waves through the NGO community in Chechnya, and her employer, Memorial, had to suspend its Chechen operations for several months on safety grounds. There is a wilful misunderstanding by the Chechen authorities of what the "N" in NGO stands for. The very concept of an organisation that is independent of Government—or non-governmental—openly challenging policies and practice seems anathema to them. Their preference is for NGOs to be subsumed into Government, thus removing any semblance of transparency.

President Kadyrov has suggested that Memorial should change its working methods. Instead of making cases public, he thinks it should tell him personally about the problems so that he can just solve them quietly. Forgive me for thinking that that is not a solution to the problems.

Human rights ombudsman Nurdi Nukhazhiyev, who is charged with championing human rights in Chechnya, has asserted that he is "independent of other authorities", but in our meeting with him, he flatly refused to discuss any allegations that implicated the President, so, despite his protestations, he was clearly far from independent.

During our meeting I literally could not believe my ears—I even challenged the translator in case there had been a misunderstanding—when Nukhazhiyev told us that Oleg Orlov of Memorial had "benefited" from Natalya Estemirova's murder. With the champion of human rights in Chechnya behaving in such a way, it is not surprising that people despair.

Memorial's status as a truly independent NGO means that it has attracted the ire of the Chechen regime. In

[Jo Swinson]

July, President Kadyrov went so far as to say it was an enemy of the people, the law and the state. That accusation is more appropriately levelled at President Kadyrov himself. The international community must assist NGOs and human rights defenders who are taking great risks to document and improve the situation in Chechnya. We must defend their right to do their vital work. When the lives of prominent human rights defenders or journalists are threatened, we should be open to applications for asylum. We do not wish to see more cases like that of Natalya Estemirova or Anna Politkovskaya.

I am pleased to say that in October, MEPs voted to endorse a resolution defending Memorial, and condemning the

"cynical and absurd attempts to implicate it in the crime of aiding terrorist organisations."

I hope that the Minister and his colleagues will continue to press our EU friends to recognise the significant human rights problems in Chechnya and use European institutions to bring pressure to bear on Moscow to act.

The human rights violations in Chechnya are compounded by the lack of transparency and accountability of the regime, and the absence of any meaningful justice process and rule of law. The personality cult around Kadyrov is unbelievable. Every public building in Grozny displays large photographs of the President, and the TV news would be funny if it was not actually real. Back at our hotel, we watched the evening bulletin and it was almost entirely composed of positive news stories about what the President had been up to that day, with no debate, opposition or criticism.

On the day the President was far too busy to meet with Lord Judd and me as scheduled, the TV news told us that he had been opening a furniture shop—urgent business indeed. We might complain about this country's press and media, and as politicians we perhaps do so more often than others, but a free press is essential to a free democracy. Journalists in Chechnya continually walk the difficult line between trying to report the news in line with their journalistic principles and not angering the regime so as not to risk their lives.

Kadyrov and his Government face no parliamentary scrutiny: 37 of Chechnya's 41 MPs belong to the same party, and the Parliament meets infrequently. The President is keen to promote a climate of fear, and in a recent broadcast said:

"I am looking for evildoers everywhere. If two people meet, the third among them will always be one of my men. I know everything. I hear everything."

That is truly chilling, like something out of a George Orwell novel.

Jim Shannon (Strangford) (DUP): In relation to the very clear impact on human, political and democratic rights, there is the issue of religious freedom. A great many people have been persecuted because of their religious beliefs. Did the hon. Lady have an opportunity to speak to any such people, who perhaps out of fear did not make themselves known to her? I am aware of a great many Churches and groups of people who are experiencing religious persecution and discrimination. What should we do about that, and what could the Government do in representing those people?

Jo Swinson: I thank the hon. Gentleman for that valid point, but in a short debate it is impossible to cover every aspect of what we saw on our visit. It was a short visit, but we did see some evidence of a lack of religious freedom, particularly with the forced Islamisation. There were simple things, such as Chechen women being forced to wear headscarves in Government buildings. The Minister of Information told us that they chose to wear them, but it was very clear when we spoke to women elsewhere that it was a rule. I am sure that many religious minorities in Chechnya experience persecution, and I hope that our Ministers are pressing hard on that issue with the Russian authorities. Religious freedom, free access to justice and a free media are absolutely essential, and are part of the underpinning of a democratic society, but sadly they are far too lacking in this troubled state.

The judicial system faces similar problems. Cases are opened for show purposes, but proper investigations are not completed. In 2009, 39 cases involving the abduction of 43 individuals were opened, but no one knows how many resulted in convictions; when we met with the prosecutors they did not have that information—it was not collected. That sounds like one of the absolutely worst parliamentary answers that we get in this place, and which we do not stand for. It is not recorded how many of the cases involved the Chechen security services, or how many disappearances go unreported for fear of further persecution. Of course, most human rights violations do not get reported because of the safety concerns that put many people off the juridical route. Even providing a witness testimony could lead many to fear the consequences, and the witness protection scheme has a fatal flaw in that the security forces that are supposed to safeguard the witnesses are often the very people accused of the abuses.

Chechnya and the Caucases have for far too long been too low down the international community's priority ladder. The UK has not only a responsibility for, but a long-term interest in preventing the contagion of militant insurgency from spreading. It cannot be overstated that when human rights are protected and are a key priority for the Government, opportunities for extremist recruiters are greatly diminished and terrorist threats recede. The choice is not between human rights and fighting terrorism; safeguarding human rights is essential in the fight against terrorism. The risk in Chechnya and its neighbouring states is very much that the oppressive regimes will provide a fertile breeding ground for the terrorists of tomorrow, and we must therefore assist both the Russian and the Chechen authorities, if they will let us, to improve the environment within the republic. I hope that the Minister will tell us how the Government plan to assist and strengthen the work of human rights organisations and civil society in Chechnya. We clearly need to ensure that, through the European Court of Human Rights, individual Chechens have the ability to bring cases against the Russian authorities, and that they receive the due process of justice.

We must also press Russia to take its obligations as a member of the Council of Europe more seriously, particularly in relation to the judgments handed down against it by the European Court of Human Rights—it should not be allowed to get away with ignoring those. In general, we should encourage Russia and the Chechen authorities to allow increased access to Chechnya for

foreign delegations, international organisations and independent media and NGO representatives. Most of all, Russia needs to recognise that the brutal oppression of the Chechen people is not a solution to the security threat that it undoubtedly faces.

Our Government should do all they can to assist Russia in dealing with this difficult internal problem, even if it is just encouragement to pursue a course of action that puts the people first and rejects the fallacy of security under the draconian Kadyrov regime. We must help to convince Russia that the need for genuine engagement with the international community and its Chechen citizens is in its own long-term interests. I hope that the Minister and his FCO colleagues will be working hard to that end.

11.15 am

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): First, I join the Prime Minister and Foreign Secretary in extending my condolences and sympathy to those affected by the appalling attack at Moscow airport on Monday, in which a British citizen lost his life. The Prime Minister has offered his condolences and support directly to President Medvedev and the Foreign Secretary has written to Foreign Minister Lavrov. The British people stand with the Russian people at this tragic time. People around the world will have been shocked by the pictures that they saw on their televisions on Monday.

Let me also congratulate my hon. Friend the Member for East Dunbartonshire (Jo Swinson) on securing the debate, which is particularly timely given the circumstances, but would be important at any time. We do not yet know for certain who was responsible for the attack in Moscow and it would be wrong to leap to the assumption that the perpetrators came from the north Caucasus region. However, preliminary indications from the Russian authorities show that there might indeed be such a connection. As we know, Russia has experience of terrorism related to the north Caucasus region.

The House is well aware of my hon. Friend's long-held interest in Chechnya. We all benefit from her comprehensive knowledge and active approach in addressing the very serious issues faced by the people living in the region, which she expanded upon forcefully this morning. It is right that we support the efforts of the Russian Government to tackle terrorism. We welcome President Medvedev's initiatives to address the underlying socio-economic conditions in the north Caucasus. Those conditions can provide fertile ground for extremist ideology. As the report of my hon. Friend's visit to Chechnya noted, the reconstruction of Grozny is a notable achievement, but reconstruction alone does not create stability. A long-term solution to the region's problems can be built only on a foundation of respect for human rights and the rule of law.

The fact-finding visit that my hon. Friend went on with Lord Judd on behalf of the all-party group on human rights in February last year helped bring home to the House the situation in that troubled part of the world. The FCO was pleased to provide financial and administrative support for the visit. I appreciated the time that she and Lord Judd took to meet me in September to discuss their findings from that visit. Their report was an important contribution to the debate over the situation in Chechnya. I can assure my hon. Friend that the Government share the concerns highlighted in the report, particularly the strong evidence of ongoing abductions, torture, punitive house burnings, and attacks on human rights defenders, in which the local Chechen security forces are often implicated.

The lack of effective investigations into human rights abuses perpetuates a climate of impunity. In particular, the Government are deeply concerned that, after a year and a half, the investigation into the murder of Natalya Estemirova in the north Caucasus in July 2009 has not produced any results. We also share the report's other key observation that counter-terrorism strategies that do not observe human rights serve only to perpetuate the poor security situation. Human rights in Chechnya, and in the north Caucasus more widely, remain a serious concern to the UK.

Although Chechnya might be more stable today than in the recent past, that stability has come at a price. Today Chechnya is a place where too many people are unable to exercise their human rights; a place where freedom of expression and speech are curtailed; and a place where civil society is unable to contribute in the way in which it should to a functioning democratic system.

One of the reasons that Britain regularly engages with Russia on human rights issues is to address those concerns. During his visit to Moscow last October, the Foreign Secretary met representatives of civil society and made the case for human rights, rule of law and impunity issues with the Russian Government. The Foreign Secretary will do so again when he meets Russian Foreign Minister Lavrov on his visit to the UK next month.

Discussing our concerns in an open way and seeking to find constructive ways to co-operate with the Russian authorities in addressing the problems that they face is an integral part of our bilateral relationship. Just last week, the UK held its human rights consultations with Russia in Moscow. During those negotiations, senior UK officials underlined specific concerns, including those about Chechnya and the north Caucasus. There were constructive discussions on socio-economic development in the north Caucasus; on pursuing counter-terrorism strategies while protecting civil liberties; on nationalism and ethnic violence, and strategies for combating such violence; on implementation of judgments by the European Court of Human Rights in cases that refer to abuses in the north Caucasus; and on women's rights in Chechnya, which my hon. Friend mentioned in her speech. We will look for ways to continue that dialogue and to offer further opportunities for the Russian authorities to share experience, if they would find it useful to do so.

More widely, the UK has also raised concerns about the conduct of the Khodorkovsky trial; the death in pre-trial detention of Sergei Magnitsky; the stalled investigations into the murders of two defenders of human rights, Anna Politkovskaya and Natalya Estemirova; the death penalty; freedom of assembly, which my hon. Friend mentioned in discussing the wider context of the oppression of people, as she described it, in Chechnya; and the protection of gay rights and the rights of other minorities in society. So there is a wide range of concerns that we raise directly in that forum of our human rights consultations with Russia.

Jim Shannon: The Minister outlined a number of concerns that the Government have. In relation to the religious persecution and discrimination that is taking place, has he made any representations to the Russian Government about that?

Mr Browne: I am grateful to the hon. Gentleman for that intervention. I was not present at those discussions in Moscow myself and I have not been supplied with information about that issue. However, I can assure him that we take very seriously concerns about religious persecution in all parts of the world and those concerns are expressed in ways that I am sure he would support; they are expressed forcefully and directly to Governments and other bodies in countries where we feel that religious freedom of expression is infringed. That religious freedom of expression includes the right to practise a religion, the right to change one's religious affiliation and the right to hold no religious beliefs if that is what an individual wishes to do.

Therefore, if the Foreign Office feels that discussion of that issue is a necessary part of a dialogue with any country or any organisation within a country, I can assure the hon. Gentleman that we will include that component in talks. If he knows of specific cases or specific parts of the world where he feels we could increase our focus in that regard, I make the offer to him that he can let me, or another Minister in the Department, know and we will seek to act on his concerns.

The UK also actively works with the European Union, the Organisation for Security and Co-operation in Europe and the Council of Europe to bring our combined political weight to bear on pressing human rights issues. The Russian Government have so far declined the Council of Europe's repeated offers of technical assistance with the exhumation of mass graves in connection with the two Chechen wars. However, should they change their view on that, the UK is ready to consider any request we receive for assistance.

In addition, we support a wide range of human rights organisations working in Chechnya and Russia as a whole. Therefore, the active role of the British Government is not merely—although I do not want to understate it—based on the relationship between our Ministers and officials and those of Russia. We are also keen to help more directly at the grass-roots level. We have funded projects aimed at preventing and resolving conflict in the north Caucasus; at encouraging free and fair elections; at supporting an independent media, which was a point that my hon. Friend made forcefully, based on her direct experience during her visit; and at improving policing and prison conditions.

The United Kingdom worked with the Russian NGO Committee against Torture to facilitate independent investigations into allegations of torture. The evidence that resulted from those investigations led to prosecutions in Chechnya and entrenched local courts' knowledge and use of human rights law.

The UK has funded other Russian and international NGOs to assist applicants taking cases of human rights abuses through national courts and the European Court of Human Rights. In 2010, the European Court handed down judgments in favour of 17 applicants supported by organisations that we help to fund, and more than €1,720,000 in damages were awarded to them.

The UK supports the activities of local civil society organisations in building stability and cross-border co-operation in the region. For example, Nonviolence International used UK funds to develop a comprehensive model of co-operation between youth and law enforcement officers, helping to build trust and create the grass-root conditions for long-term stability. The UK continued to support the work of the independent media agency, Caucasian Knot, which provides balanced and objective online media reporting of news from across the Caucasus region, and offers local citizens a forum in which to report directly and express their views.

In conclusion, I am grateful to my hon. Friend for the opportunity to discuss the issues on a formal basis. The issues continue to concern this Government and we continue to engage with them, both bilaterally with the Russians and with our colleagues in the United Nations, the European Union and other international organisation. I assure all hon. Members that this Government place the strongest emphasis on human rights. The Foreign Secretary has addressed the subject specifically, repeatedly and strongly during his time in office, and we will continue to place a strong emphasis on Britain taking a lead on projecting around the world, including Chechnya and Russia as a whole, the values upon which we in this House place great importance.

11.28 am

Sitting suspended.

Community Cohesion

[MRS ANNE MAIN *in the Chair*]

2.30 pm

Phil Wilson (Sedgefield) (Lab): It is a pleasure to hold this debate under your chairmanship, Mrs Main. I called this debate because I am deeply concerned about the communities in which I live and in which I grew up. At a time of public sector cuts, declining rates of growth are exacerbating the efforts of the north-east to help rebalance the economy. In County Durham, Sedgefield could suffer the same fate this decade that it did in the 1980s. There was hope, because the previous Government drew up a plan to halve the deficit, but that has now been replaced by a strategy to eradicate the deficit. As a consequence, unemployment is rising, economic confidence is damaged and growth is starting to stall.

When we left power, unemployment was falling and home repossessions and business bankruptcies were only half what they were in the 1980s and 1990s. The previous Government were acting in the spirit of the big society. In the 1980s, unemployment in Sedgefield stood at 5,500, 40% of whom were out of work for 12 months or more. Then the figures were massaged, so people were taken from the unemployment register and put on incapacity benefit and whole communities were closed down. If you met someone in the street, you never asked them if they were well; you asked them whether they had a job. Lessons are being learned. As the Government cut deep into public services with a fury, we do not want their mantra, "There is no such thing as society", thrown back in our face. Some argue that the Government's notion of the big society is a cover for the cuts, but it is, I believe, worse than that. I accept that the Government believe in a big society—after all they cannot be against fresh air. However, their deep cuts into the grants awarded to the third sector will inevitably prevent them from building such a society. Those who want to build a big society will not be able to do so, because they are denied the proper tools.

Charities have always had a role in society. People have always volunteered, but the need for charity and for volunteers becomes more acute when society fails its people. You only need to look at the coal mining traditions of County Durham in the late-19th and 20th centuries to prove the point. As A. J. P. Taylor said:

> "Until August 1914 a sensible, law-abiding Englishman could pass through life and hardly notice the existence of the state beyond the post office and policemen."

Perhaps some would like to return to such an age, but let us look at what it meant to the mining communities of that time.

Colliery owners provided housing from which colliers could be evicted at any time. Thousands of miners died at their jobs—sometimes hundreds of them died in a single incident, because of the lack of mine safety. Education was provided by charities, the Church and sometimes by colliery owners. At the opening of his school in East Hedleyhope colliery towards the end of the 19th century, Sir Bernhard Samuelson said:

> "If elementary schools were being built for the working population, colleges and secondary schools were also being erected for those who employed them."

Life expectancy for miners was poor. In the 20th century, 27% of miners were disabled before they retired. Health care, which was provided at the county hospital in Durham city, was funded by miners' subscriptions. It was a time of great volunteering, of banding together and of mutual help. It was driven not just by altruism, but by enlightened self-interest.

In the 1890s, some 52% of the adult population—the highest figure of any county—belonged to a co-operative and were known as co-operators. Some 130,000 miners in Durham joined together to form the Durham Aged Mineworkers' Homes Association, which built homes for miners, so that they could live out their retirement in dignity. They were able to live in a "haven of rest" rather than go to the workhouse.

The miners also formed a trade union and, as we all know, the trade union movement itself helped to form the Labour party. Keir Hardie, one of our founding fathers, believed in "a communal consciousness", which is what we today would call a big society. It is this belief in community that has always driven my politics. I am proud of what the miners did for themselves and I am proud of their heritage, but you could argue that they were practising the big society.

It is obvious that the miners did not live in a big society and that they did what they had to do. They risked their lives every day of the week, and there was no one there to help. As they left the pit, they had to run charities and raise funds to look after themselves. They put into practice the belief that by the strength of our common endeavour we achieve more than we achieve alone. To me that is what a society that is fair, big and good should be doing.

For the big society to work, there must be more than just volunteering and charity, because there must be a democratically elected Government who act on behalf of the people and the community. People will be able to live secure in the knowledge that society will work with them to provide the environment for health, work and education.

Mr Mark Field (Cities of London and Westminster) (Con): With respect, the hon. Gentleman's seat is very different from the one that I represent. None the less, I have some big problems in my own area, too. He makes the case for the history of Sedgefield and brings it up to the current day. Did he not agree with the Prime Minister when he said that there was such a thing as society, but it was not necessarily the same as the state? That is not to say that the state has no role, but that it should not have an exclusive role.

Phil Wilson: I do not think for one moment that anyone is saying that there is no place for charity or for volunteering, but both must work in hand with the state if we are to have a fair and just society. We cannot have one without the other. I use the miners as an example, because what they were practising is what we would see today as the big society. Self-interest made them behave in such a way, because there was no one there to help them and the state would not take part. As A. J. P. Taylor said, the state was nowhere. The only time you came across it was when you went to the post office or when you met a policeman in the street. A strong society is what we need, and it is something that the Labour party has helped to build over the years.

The big society cannot only be about you and what you do for yourself, because it is also about what you can do for others, which is something with which we can

[Phil Wilson]

all agree. The greatest acts of volunteering and charity will come where there is the greatest need, such as in the coalfields of County Durham in the 19th and 20th centuries, and I do not want to return to those times. The Government thought not only that they did not have a role but that they should not have a role either. A lot of volunteering and charitable work goes on today, which the Government have acknowledged. Volunteering levels have remained stable since 2001 with 40% of people volunteering once a year and 27% of people volunteering once a month.

Citizen Survey, which has been quoted by the Government, also states that 83% of people perceive their community as cohesive and agree that their local area is a place in which people from different backgrounds got on well together, which is an increase on 2003.

When people are content, there is little likelihood of their feeling the need to volunteer. It is a testament to the efforts of the previous Government that they put so much into community cohesion.

David Simpson (Upper Bann) (DUP): I welcome you, Mrs Main, to the Chair. I apologise that I cannot stay for the full debate, because I have to attend another meeting, and I congratulate the hon. Gentleman on securing this debate. Does he agree that in order to have proper community cohesion, there needs to an adequate amount of funding in working-class estates to provide the projects that are so badly needed? Although we understand that there is a difficulty with funding per se given the economics of the country, to withdraw it or reduce it dramatically knocks confidence. People are left feeling that they might as well have never received it in the first place, because if it is cut in mid-stream, they are left in limbo.

Phil Wilson: There is much truth in what the hon. Gentleman has said. He comes from an area which has pockets of deprivation and working-class communities that rely on this funding to ensure that they can go ahead with charitable work.

The previous Government more than doubled the amount of money in the third sector, which increased from some £5.5 billion to more than £12 billion. There are now about 62,000 social enterprises in the UK, contributing at least £24 billion to the economy. It has been estimated that social enterprises employ about 800,000 people. At the height of the recession, we used the hardship fund to give £17 million to local charities, for example those working in health and social care, housing support, and education and training.

What we and the Government must be careful of—

Mrs Anne Main (in the Chair): Order. The hon. Gentleman has corrected himself, but he has referred to me on several occasions, by saying "you". I have let it go, but if he were to refrain from using the word "you", I would be grateful.

Phil Wilson: I will not do it again. Thank you for pointing that out, Mrs Main.

I am worried that the Government are raising expectations about what the third sector should deliver, but they are about to embark on cuts that will damage the capacity of civil society to deliver. That brings me to the nub of my argument. How can the Government fulfil their big society agenda when they are cutting funding and dismantling the infrastructure within which a big society can flourish? Because the cuts force people into volunteering, as they have no other choice, what we have left is not a big society but a coercive society. That is the kind of society that the miners of Durham found themselves in because the community at large had abrogated its responsibilities, which is what this Government are doing.

I am not the only one saying that about the funding cuts; the charities are too. From what I understand, a recent press release from the Association of Chief Executives of Voluntary Organisations estimated that the voluntary sector

"will lose more than £1 billion in the 2011-12 financial year and more than £3 billion a year by 2014-15 as councils terminate grants or buy fewer services."

As the Government try to push their big society programme, the ACEVO warns that:

"if the scale of the spending cuts to councils were passed on to charities the voluntary sector would be 'decimated'. Charities are already facing pressure from VAT rises and the loss of Gift Aid relief."

If the charities themselves are saying that, is it not time that the Government listened to what they have to say?

Before we on this side of the Chamber are lectured by the Government on the economy and their belief that they need to cut as deeply as they are cutting because of the deficit, I just want to say that I do not think that we can be lectured on those things any more, especially as the Chancellor gave a three-minute interview on the BBC yesterday in which he blamed the weather for the economy's problems 24 times. If the Government want to build a big society, they need to re-examine how they are going to fund charities and the third sector.

Tom Brake (Carshalton and Wallington) (LD): I have been listening very carefully to what the hon. Gentleman has been saying. Surely, however, he will acknowledge that his own party, when it was in power, had identified that it would make £44 billion—I think that was the figure—of savings or cuts. Is he saying to hon. Members today that none of those cuts would have affected the voluntary sector in any way?

Phil Wilson: We would have done two things. First, we would have made sure that, as far as possible, we did not damage front-line services. Secondly, we would not have raised expectations, as I believe this Government are doing by saying that they will create a big society while at the same time undermining that big society by slashing and burning all the grants and facilities that provide for the third sector. We would not have done that.

We also need the Government to consider what they can do other than providing for charities and the third sector, because the big society involves more than doing just that. For example, one of the issues in my constituency is that some private landlords are neglecting the properties that they own. Those properties were owned by the National Coal Board many years ago. They were then sold off, and people bought them to get on to the property ladder, before selling them on. Private landlords came in and bought them. Now we have a problem, and

I believe that, if we are not careful, whole centres of communities will be sucked out and the community spirit will be sucked out too by the behaviour of some of those landlords.

Labour introduced selective licensing schemes, which I am pleased to say the Government have allowed to continue. However, we were also going to introduce a national register for private landlords, which would have meant that you had to register in communities such as mine before you could go on to rent out properties. The Government are not introducing that register. I know that private landlords are not necessarily the Minister's responsibility, but he has responsibility for the big society. He needs to discuss this issue of private landlords with the Department for Communities and Local Government, because it is ripping the soul out of some of our local communities and needs to be sorted out.

Roberta Blackman-Woods (City of Durham) (Lab): I totally endorse the point that my hon. Friend is making about the lack of registration of landlords and what I think is a lack of consideration by this Government of the need for communities to know who landlords are, so that if problems with rented properties emerge, they can be tackled at local level.

Phil Wilson: My hon. Friend and I worked together a lot on this issue with Durham county council. Many of those private landlords are absentee landlords, and a lot of them live abroad, so what do they care about what is happening in the villages of Sedgefield or elsewhere in the country? It is an issue that needs to be tackled nationally and, if need be, internationally, too. I say that because if you are not careful what you will have in these areas is not a big society but a non-society, because the community spirit will be taken out of them.

If we really want a big society to flourish, and if we are "all in this together", we must look internationally to secure a future for our communities that is protected from unstable international financial systems. We need a big society that is not underpinned by abolishing the future jobs fund or the education maintenance allowance, and by the Prime Minister basically reneging on his pledge to send back to the drawing board any Minister who came up with a proposal that affected the front line.

Finally, I want to leave you with this example of the kind of society—

Esther McVey (Wirral West) (Con): I thank the hon. Gentleman for giving way and for bringing this important debate to Westminster Hall. I came along because I was intrigued by the title of the debate, "Community Cohesion". Obviously I have listened to what you have said. I believe that our Localism Bill very much embeds all the charities and all the volunteers within what we are trying to do, whether it is HealthWatch, the Work programme, community groups or community centres. The big society is everything that you are talking about, just seen from a different viewpoint, and I have people coming to me locally and saying, "Thank goodness we've been liberated to go forth and develop what we want, rather than having a top-down state approach." So I hope that you welcome this way forward.

Phil Wilson: You might have—sorry, the hon. Lady might have—

Mrs Anne Main (in the Chair): Order. Both hon. Members have referred to me, by saying "you". This is not my debate, and I respectfully remind them to try not to say "you".

Phil Wilson: Okay. Thank you for that, Mrs Main.

The hon. Lady might have people coming up to her and saying, "Thank you for us being liberated." I have people coming up to me and saying that they are scared stiff that their charity will not survive because of the cuts, or that they are scared stiff that they will not be able to work any more for the young people in their village or to look after the elderly, and so on, because of the cuts that they know are coming down the line. So this issue actually cuts both ways, but I am more concerned about those people who are frightened to death about what is going to hit them.

I want to end by relating a true story, which for me encapsulates the big society that is already here. A friend of mine had a couple over from America visiting him a few months ago. The Americans were out with my friend for a meal one evening and one of them was taken ill in the street. So my friend phoned 999 on his mobile and a few minutes later a paramedic turned up, administered to the lady who was ill, made her better, got back on his motorbike and drove away. The Americans were amazed by that. They were amazed that they did not have to pay on the spot and that instead this man just turned up on his motorbike, made sure that the person was made well and drove away, and they did not even know his name. My friend said to me, "If you want an example of a big society that is a big society, when that works." That is down to the NHS, which I believe is a true testimony to the big society. The NHS makes the story of the good samaritan an everyday occurrence, but I believe that this Government want to dismantle it. The Government might believe in a big society but they will never get it to work, because they do not actually know what it means.

2.49 pm

Tony Baldry (Banbury) (Con): I read with some interest on the Order Paper that there was going to be a debate on "Community Cohesion", because I wondered what that phrase meant. Usually, the topic that is going to be debated is clear from the Order Paper, and the policy issues that will be considered and the Department that is likely to respond to the debate are usually implied by that. The phrase "community cohesion" does not lend itself to any of that, so I thought, at first, that it might be shorthand for "the big society" and, as I have listened to the comments made by the hon. Member for Sedgefield (Phil Wilson) in the debate today, that is, I think, what has so far been intended.

On this side of the Chamber, we have certainly made it clear that the size, scope and role of the Government has reached a point at which it is inhibiting rather than advancing the progressive aims of reducing poverty, fighting inequality and increasing well-being. In short, we do not believe that Government with a capital G has all the answers, and the coalition has made it clear that its alternative to big government is the big society, a society in which we all recognise the responsibilities that

[Tony Baldry]

we owe to ourselves, our families, the communities in which we find ourselves and the nation as a whole. It is a society with much higher levels of personal, professional, civic and corporate responsibility, where people come together to solve problems and to improve life for themselves and their communities, and where the driving dynamic or progress is social responsibility, not state control. I am sure, therefore, that the concept of the big society runs, and will run, consistently through the coalition Government's programme, which is reflected by the fact that the Minister responding to this debate is responsible for the policy on the big society.

The Government's plans to reform public services, mend society and rebuild trust in politics are part of the big society agenda. Such plans involve redistributing power from the state to society—from the centre to local communities—giving people the opportunity to take more control of their lives. That is why the Localism Bill is so important, as are similar initiatives. It was heartening to see that so many right hon. and hon. Members wished to speak last week on Second Reading. Some 76 Members put their names forward, which I suspect was a record and which reflects the considerable interest in the localism agenda. It has occurred to me that if the hon. Gentleman wanted to have a crack at the big society, he would have tabled something on that topic at that point, and we would have found on the Order Paper a debate entitled, "The Big Society".

The phrase "Community Cohesion" should therefore mean something, and as I reflected on that I decided to look it up on Wikipedia, which was not a particularly reassuring experience. The Wikipedia reference to community cohesion starts by proclaiming that

"this article does not cite any references or sources",

so if there is some great sociological debate going on here, it clearly has not hit Wikipedia. The website then gives a short definition:

"Community cohesion refers to the aspect of togetherness and bonding exhibited by members of a community, the 'glue' that holds a community together. This might include features such as a sense of common belonging or cultural similarity."

I cannot work out why it is necessary for hon. Members to spend an hour and a half considering our sense of common belonging, because it is axiomatic that we have a sense of common belonging.

Phil Wilson: The phrase is included in some of the Conservative party documentation that I have read on the big society, and community surveys in recent years also talk about community cohesion. The phrase has not just come out of the blue, and the hon. Gentleman's own party has used it to explain what the big society is all about. My point is not that anyone is against the big society, but that because of the cuts that you are going to bring about, you will ensure that there is no big society.

Mrs Anne Main (in the Chair): Order. I am not cutting anything. I also ask for interventions to be brief.

Tony Baldry: I hear what the hon. Gentleman has said, but he chose the topic for this debate, and in the substantial briefing prepared by the Library—it runs to pages and pages—the phrase "community cohesion" is, interestingly, mentioned only once.

After giving the brief description that I cited before giving way, Wikipedia recommends that one should also look on the site for terms such as "gemeinschaft and gesellschaft", "integration", "multiculturalism", "social cohesion", "structural cohesion" and "social solidarity". On the basis of those associated terms, it struck me that community cohesion is not a policy that would commend itself to many of my hon. Friends, because it is clearly shorthand for state intervention by stealth. If it is not, I do not understand why the hon. Gentleman has not candidly introduced a debate on the big society.

I then recalled, from the recesses of my mind, that there is one statutory reference to community cohesion—just one—which is that the previous Government placed in statute in the Education and Inspections Act 2006 a duty on schools to promote community cohesion, and an obligation on Ofsted to police whether schools were taking sufficient action to promote such cohesion. I do not know about other hon. Members, but in the time that I have been a Member in north Oxfordshire I have found that all the schools in my patch strive hard to play their part in the local community and do not require a tick-box exercise to determine whether they are full members of the community. Indeed, how can a school be isolated from what other parts of the community do? I suspect that every head teacher and governing body in my patch believes that community cohesion is a fundamental part of their ethos. They need neither Ministers to tell them what they should be doing nor Ofsted inspectors to check that they, as schools, are playing their full part in the community.

I assumed, therefore, that what we would be having today would be synthetic row about the perfectly sensible decision of Ministers at the Department for Education to remove from Ofsted inspectors the obligation to have regard to community cohesion when carrying out inspections, and about the decision that inspectors should, in future, concentrate on four principal areas, namely the quality of teaching, the effectiveness of leadership, pupils' behaviour and safety, and pupils' achievement. That seems an eminently sensible approach. Indeed, and perhaps understandably, head teachers and the teaching unions have long urged that there should be less control from the centre and that they should be trusted more to run their schools and to teach for the benefit of the pupils concerned and not for the benefit of bureaucrats. Those four principal areas of focus for inspection by Ofsted show whether a school is performing effectively, but I am conscious that the people who are opposed to Ministers removing an obligation on Ofsted to have regard to community cohesion, are also having a crack at the policy of free schools being introduced by the Secretary of State for Education and other ministerial colleagues at the Department. I find that hostility to free schools truly bizarre.

This year we celebrate the 200th anniversary of the Church of England entering the field of education and the formation of the National Society. At that time, the Church of England introduced Church schools into every parish for the purposes of educating local children. It was never intended that they should be faith schools; they were seen as part of the Church of England's central mission to the local community, and in 1944 Rab Butler was able to introduce his Education Act only because the Church of England was prepared to integrate Church schools into the state system of education.

Then, as now, Roman Catholic and other schools provided diversity, and in recent years that diversity has been extended by the introduction and continuance of academies by the previous Government. Children in Banbury have a choice of going to Banbury school, which is a trust school, North Oxfordshire academy, which as its name suggests is an academy, or Blessed George Napier school, which is a Roman Catholic secondary school with a sixth form. Post 16, they can go to the Oxford and Cherwell Valley further education college. Parents welcome such choice, and head teachers, governing bodies and schools are all, in their different ways, rooted in the local community.

Indeed, the Education Act 1944 makes it clear that as far as is possible, children should be educated in accordance with their parents' wishes, a concept endorsed fully by Jim Callaghan as Prime Minister in the mid-1970s during his notable speech at Ruskin college on education, in which he made it clear that whatever parents wanted for their children, the state should want for all our children. I thus find it entirely bizarre that the Labour party, which endorsed the academies programme while in government—not just in inner cities but in areas and constituencies such as mine—wants to pull up the drawbridge now that it is in opposition.

Who is it that the Opposition do not trust—head teachers, governing bodies or parents? Occasionally, they seek to show their opposition to free schools by having a crack at faith groups, but faith groups, such as the Church of England, have, as I have said, been running schools in this country very effectively for 200 years. I was fortunate enough to attend a faith school. A couple of months ago, I returned there to take part in a seminar commemorating the life and work of one of the school's distinguished old boys, Michael Foot. I fail to understand why some in the Labour party wish to pull up the ladder that they and others climbed.

I am pleased that a new free school is proposed in my constituency that will take pupils from age eight through secondary level. RAF Upper Heyford was a United States air force base until the early 1990s. For some years, the base was in limbo while various national house builders who owned the site negotiated the planning process. Heyford Park now has planning permission for 1,000 homes, including the existing 300, and parents there made it clear in a survey that they would like a combined primary and secondary school built at Heyford Park. A Heyford Park parents' group has grown up as a result of that effort to seek parents' views, and it in turn has developed into Heyford Park parents' planning group for a new free school.

I strongly support the initiative. It seems totally in accord with the Government's policy on free schools and new academies. It also has the benefit of an existing community that will grow over time and from which such a school can be born in terms of parental support and a geographical area. In addition, there is no primary or secondary school in the area whose offering the creation of a Heyford Park academy would challenge, threaten or undermine, as all the existing primary schools nearby are effectively full, obliging many primary school children from the area to travel a considerable distance to Bicester. The creation of the school would allow children to go to school much nearer where they live.

The planning group includes Roy Blatchford, former head teacher of Bicester community college and one of Her Majesty's inspectors. I am glad to report that the buildings for a school already exist and that there are plenty of grounds and playing space at Upper Heyford dating from when it was an air force base. The developers are willing to commit substantial amounts of money to the new free school.

That project chimes with what we are trying to do to give local people much greater control over their lives. If we are to debate the big society, let us have a debate, but I believe that the localism agenda, which gives people much greater control over their own lives—having regard to the obligations that we all have to ourselves, our families and the communities in which we find ourselves—is the right direction of travel. I am glad that it is this Government's direction of travel.

3.3 pm

Tom Brake (Carshalton and Wallington) (LD): I congratulate the hon. Member for Sedgefield (Phil Wilson) on securing this important debate. Like the hon. Member for Banbury (Tony Baldry), when I saw "Community Cohesion" on the Order Paper, I was confused about what this debate would address. I started preparing for a debate about community cohesion and stopping the radicalisation of young people. Then, fortunately, I received the Library briefing, which made it clear that we would be discussing community cohesion and the big society. I am pleased to discuss that as well—

Mrs Anne Main (in the Chair): Order. I point out to the hon. Gentleman that the debate is about community cohesion. As the previous speaker felt free to explore the terminology, the hon. Gentleman is free to explore it however he sees fit.

Tom Brake: Thank you, Mrs Main. For the purposes of this debate, a discussion of projects to reduce radicalisation among young people might take us off the agenda that other Members intended to debate. Also, the Minister does not have responsibility for that particular aspect of Government policy. I intend to focus on the big society. My borough, the London borough of Sutton, is one of the four lead authorities on the big society, so the issue is close to my heart.

As the hon. Member for Sedgefield said in his opening remarks, it will clearly be harder for the Government and people throughout the country to deliver a big society agenda against the nation's current financial backdrop. We have the largest budget deficit in the G20. The Government are rightly taking measures to address that, and many organisations will be affected. I intervened on him to point out that his Government accepted that such action would be necessary. I was not aware of any suggestion in his remarks that the voluntary sector, for instance, should be ring-fenced from the budget cuts. I was hoping that he might set out an alternative approach that took into account the fact that we face difficult financial circumstances. However, he did not do so, providing us with a list of things that he did not think the Government should cut rather than an alternative approach to deliver the £44 billion in savings that his Government would have made, if they had been elected on 6 May.

On the big society, I make an unashamed plug for the work being done in the London borough of Sutton. The borough is concentrating on four things. It is developing the Sutton Life centre. It is concentrating on

[Tom Brake]

the public transport agenda, particularly smarter travel. It is progressing health provision, GP commissioning and ensuring that local people and the local authority have a bigger say in health provision. Finally—this is the area that I will focus on most—it is developing the Hackbridge vision, which is a grassroots effort. That is what the big society should be about. The community is driving a project to make Hackbridge the most sustainable suburb in the country.

The Hackbridge project has already got off to a good start. Members might be aware of a residential development called BedZED, which has been widely covered in many colour supplements in recent years. BedZED has received visitors from all over the world. When I catch the train that goes through Hackbridge, I often see visitors from every country in the world getting off at Hackbridge and going to visit the development. It will form the core around which the rest of the initiatives will be developed. The community, local authority and developers are all working successfully to develop the concept. I am sure that renewable energy plants will be delivered there. The local landfill site is already putting energy back into the grid using turbines. That is exactly what the big society is about—a grassroots movement to develop a community sustainably and with the support of local people.

I will mention a couple of exemplars. When the local authority identified the need for a children's centre on the site of Amy Johnson primary school, the borough could offer only limited cash to the school. It said to the school, "We have £180,000 that we're going to spend on developing this." The school governors came back and said, "Give us the money and we'll do it." The local authority said, "Okay, but we will not give you £1 more than £180,000." The school governors and parents went away and designed a project that ended up with 40% more floor space than what the local authority was going to offer. It was also designed to their specification and delivered within the £180,000 envelope. In addition to the voluntary contribution from the school governors, the school caretaker, who had worked in the building trade, took on a lot of the project management. That is a good example of what can be done in big society terms.

Another initiative is the Wandle Trust, which has taken over responsibility for maintaining the River Wandle from the Environment Agency. It is involving many more volunteers than the Environment Agency could ever hope to. Another example is Gaynesford Lodge, which provides day care for senior citizens. It is looking at setting up a social enterprise to take on responsibility for providing that service, and I hope that it will receive advice from the Government to help it to do that.

Earlier this week, I was at an event where the Federation of Bangladeshi Caterers talked about the role that its businesses can play in the big society. That might involve providing training or business mentoring to young people. Its members are therefore keen to get engaged.

I carry out an electronic poll once a month, sending out e-mails to about 6,000 constituents. One of those straw polls was about the big society, and I am pleased to say that 53% of the people who responded said that they would want to get actively involved in big society projects. There is, therefore, a real desire to get involved.

Let me read a couple of comments from people who responded to the poll. Sarah said:

"I believe this is a good opportunity for the community to work together for the common good of all."

John said:

"It is easy to be cynical about Government and see this as a middle class gimmick but we all need to feel more connected to each other...Let's get on and test it."

Explaining why she collected litter in her road and the surrounding area, Margaret said:

"If more people did this we would have pride back in where we live. It is not taking jobs from people it is simply helping us to help ourselves."

In the London borough of Sutton, at least, there is a strong desire to engage—people are not cynical.

In conclusion, I hope that the Minister will tell us which rules and regulations that apply to the Government, local government, the police and the NHS will be changed to facilitate the big society process. For me and my constituents, that process is about helping people get involved. Currently, they are being prevented from doing so, because a few obstacles have been thrown in their way. Those obstacles are not really necessary and can easily be removed. I accept that the Localism Bill, which the hon. Member for Wirral West (Esther McVey) has mentioned, is part of that process, but I hope that the Minister and his officials are identifying some of the obstacles. I also hope that he will be able to tell us—if not now, perhaps as things develop—exactly what bonfire of regulations and rules will take place to enable people to engage in the big society in the way in which they are keen to.

3.13 pm

Guy Opperman (Hexham) (Con): I thank you, Mrs Main, and the hon. Member for Sedgefield (Phil Wilson) for giving me the opportunity to speak in this important debate.

We all accept that community cohesion is a wide-ranging notion. We all want to live in a community where we feel safe from crime, where we give our children a good education and where everyone comes together at times of need to help those who need help most.

When I was first selected as the prospective MP for Hexham, and we first started talking about the big society and community cohesion, individuals in the 1,100 square miles that I am lucky enough to represent said, "But we already have this. We do this already." However, they would then add a "but" and talk about the obstacles that prevented them from going forward and being freed up to do things. I will attempt to identify those individual problems, although I do not particularly seek to criticise previous Governments. None the less, it is clear that there is much in the big society agenda that we can take forward and use as an asset.

There have been accusations—in *The Times* on Monday, for example—that the big society is not being implemented in the way in which everybody would like, but, in my respectful submission, that is not right. Although the big society is there to a degree, and it comes to the forefront in times of crisis, the coalition has managed to make it an individual, overriding aim. Apart from wiping out the deficit, which clearly must be done, we want to decentralise government. Effectively, we are enablers; we are trying to take government back to the people,

who are in charge. I can give multiple examples of that, but that is surely all about trying to give power back to the people with whom it fundamentally rests.

It follows from that vein of thought that it is up to individuals actively to transform community cohesion from being big only in times of need, as it was perhaps in the past, to being something that exists at all times. People need to be aware of it at all stages. I implore my colleagues to get behind this initiative, if they have not done so already.

I want to make an unashamed plug at this point. On 11 February, more than 100 individuals will get together in Hexham to see how we can take community cohesion forward. The event is not sponsored by anybody individually, although I am paying the bill. We are bringing together all manner of people—representatives of different faiths, councillors and housing representatives—to look at the opportunities. I will come to that in a bit more detail, but I just wanted to give the context in which we are working.

Ever since I have had the honour of representing Hexham, we have tried to support many big society initiatives, with the aim of creating more community cohesion. I want to list 10 things that we are doing. First, we have an internship programme in the constituency office to which everybody contributes. We have had 35 young people, which is an awful lot in seven months. They have been aged from 16 to 22, and 10 of them have already completed the programme. A further 30 young people have signed up for the internship programme for 2011.

Secondly, the volunteers and I help to run our MP's charity quiz nights. We go to local pubs around the constituency raising money for charities. We have worked for Help the Heroes and a local charity, Tynedale Activities for Special Children.

Thirdly, we are committed to an annual Christmas social action project. Lots of people have such projects, but I want to give some idea of the extent of ours. I have a spare office—it is meant to be my surgery office—but I had to move out of it, because so many people contributed presents. The project mushroomed and acquired a wonderful life of its own. We sent those presents to Support Our Soldiers and collected care packages for our serving troops. The response in the community was wonderful. Almost more interestingly, the two regiments involved—one is 39 Regiment Royal Artillery—wrote to tell us what an amazing contribution that we had made. One individual even wrote just before Christmas, but sadly passed away. We saw the impact on the people we were trying to help on a regular basis.

There is also our social action programme, which has ideas for youth training, job clubs and producing community guides. There is not, for example, in the wonderful, wild world of Northumberland, a universal guide to its best parts, so we are producing one ourselves. We managed to persuade the tourist board to give us what it uses, such as photographs, and we shall integrate all those things into our programme, so that during the weekend all the individuals who are trying to set up bed and breakfast or support for organisations will be supported by us.

We also have volunteers who support nature projects such as tree and bulb planting, and community allotment days throughout the constituency. I am not at all green-fingered, but I am becoming better by the minute and have, delightfully, been offered the vice-presidency of the Prudhoe allotments, a welcome activity for destressing on a wet weekend.

There are small projects, but there are also very big ones. One is in the village of Humshaugh, which has a village shop. It lost its post office, which is a problem faced by every constituency. In Humshaugh, with the post office having gone and the shop struggling, the villagers faced closure, because they had no money to go on with. So the community rallied round and enlisted the support of a wealth of individuals. I use the word "wealth" because everyone involved—60-odd people—gives their time for free. It is an amazing example of a shop that closed, then reopened and is progressing. There was a contribution by a business man who prefers to remain nameless, but everyone else was involved. People thought that that was so good that they were a bit upset about the pub. The Crown Inn, Humshaugh, had not gone into receivership but it was not far off, so the villagers took it over as well.

I want to discuss broadband. Everyone knows that there are efforts to take it forward. I am lucky in that my hon. Friend the Member for Penrith and The Border (Rory Stewart), whose constituency neighbours mine, has money and funding for the Eden Valley project, which is a very successful and good project. It is just over the border—I wish it was with us, but such is life, and we must get on with it. We have gone to see what is happening, and we are trying to dovetail with what it is doing. Kielder forest and the Northumberland national park cover huge areas, with probably the largest forest in the country. We have no broadband or mobile phone coverage, and we have a problem with making progress, so we work with a host of different providers. How are they helping us? We have worked on the concept, of which the Minister will be aware, that there are alternatives, and we are considering how we can use Northumbrian Water, which is a substantial, FTSE 100 company. One might consider it and think, "How can you help? You are a very wealthy company." In reality it is telling us that it is possible that it can provide pre-existing sewers and the like, and that we can use them to make alternative provision. There are other good examples to assist us, and I am hopeful that as the Eden Valley project expands, we shall be able to do more.

Ninthly, I want to talk about planning, which is a huge issue in every constituency. You have got individual people, on a regular basis—

Mrs Anne Main (in the Chair): Order. I have no individuals, and the hon. Gentleman should refrain from using the word "you".

Guy Opperman: I apologise, Mrs Main.

Hon. Members have individual problems with planning, and they are struggling, but that can be addressed. The Localism Bill will be of huge import, and it will be a huge success in the effort to free up the ongoing planning crisis. I urge hon. Members to get behind it. The Bill is a large one, and we could talk about it for hours, as we saw last week. All the things that I am discussing are about enabling people to do things. I keep coming back to that, because with such enablement we can take good ideas forward. Instead of a system that requires five or six different referrals to go through the Leader programme

[Guy Opperman]

or other One North East programmes and get a result, things should be much quicker, simpler and faster. I hope that they will be.

I want to finish by talking about the Tynedale big society summit, which will be held in just over two weeks' time. There will be representatives from business, faith groups, voluntary organisations, local politicians, health and housing, and environmental groups to help people with local government. I hope that the key players in expanding and enabling the big society will come together across Tynedale with the intention of sharing best practice and past successes, and developing a local framework that will help organisations and volunteers to play a strong role in delivering the ideas behind the big society. Participants will be able to question a range of guests on the opportunities ahead for the third sector to play a central role in the procurement and delivery of services.

There will also be specific examples of project-based best practice shared between the various sectors, in which local groups have made a difference to their communities, as well as group discussions on a plan of action taking forward ideas of further co-operation between those existing groups and volunteers. Best of all, the whole day will be staffed—aside from being paid for by my good self—by local volunteers who are interns. The sandwiches will be provided by a start-up company that wants to expand. The essence of what we are trying to do is there.

I could talk about the effect when previous councils, who suffered the blame for unpopular decisions, blamed Whitehall in the face of local anger. Things have developed to the point where very few people seem prepared to accept responsibility for a mistake or for unpopular decisions, whether right or wrong. That has even been transmitted to the social level. We live in a democracy where it is important to feel that someone can have their say, if they want their view to be heard.

We need to consider the glue that binds us together. On a national level, it can be a range of things, such as sport, conflict or even a general election. Those things bring us together, but often in different or separate camps. There are few instances where we are all unequivocally united on one side. We may be divided over the fighting in Afghanistan, but we are united in supporting our troops and doing our bit to ensure that they are supported. It is that sense of shared investment, a shared contribution and a shared goal that brings us together into a cohesive community not only nationally but locally. With the investments and projects that I have described, and with us as enablers, we can and should take that forward.

3.29 pm

Esther McVey (Wirral West) (Con): I came to listen to the debate and perhaps make an intervention, but I thought that what I had to say might go on too long and you might ask me to sit down, Mrs Main. Therefore I thought I might say something near the end of the debate if there were time.

When I saw the title, "Community Cohesion", I thought, "What an admirable debate." Is that not what everyone, on both sides of the House, is looking at in order to see how we can work in our communities? Is that not what MPs do? We try to figure out the solutions to problems and work together. We have to work within the set budget to take that forward, but, at the same time, I have found in my local community a desire to explore the capabilities of individuals and communities, and I have felt a bubbling up from the ground for people to take control of what they are doing.

Big society may be two small words that mean a huge amount to different people, but when the idea was introduced, the people of Wirral West grasped it. When shops closed on the high street, they came together and asked, "What can we do?" They did not want to see that in their little villages and towns, of which they are very proud. Art shops and places for children and families may have opened, but when people saw council-owned pieces of land, such as allotment areas, they wanted to expand on that and have some more, so that their sons could go there with their dads—and mums with their daughters—to understand what a root vegetable is and what fruit and vegetables are, rather than buy them from a supermarket. All those things were bubbling and building up.

There were also asset transfers. The local community centre was not doing so well, so people living in the area thought, "We know what's best," and they have taken it on board and are working together. Even bigger schemes started to bubble up, too. They asked whether first-time buyers could afford local housing and thought about what they were going to do about social housing. They are now looking to develop a plot of land that will be affordable for first-time buyers, and an eco-environment, which we would desperately like in our area.

We are all looking for community cohesion, which is why, when I read an article in *The Observer* last week which cited ideas on the Labour big society, based on local loyalties, family and common good, I thought that that was not so far removed from the Conservative big society. My example of the allotment is about the family, and my example of the community centre is about the common good for the local area, which is also the case with affordable housing.

The big society must be explored by hon. Members on both sides of the House, and we have to work within the set budget. That is why I welcome the Conservative party's proposals for a £50 million community first fund and a £10 million voluntary match fund, as well as the piloting of the national citizen service and the £100 million transition fund. All those things must come together.

I am delighted to hear about community cohesion, which is something that we are all trying to achieve, and I will be delighted to hear from the Minister not just about what else we are going to do that will work in places such as Wirral West, but about what would be an enabler in places such as Sedgefield, which may have very different needs.

3.33 pm

Roberta Blackman-Woods (City of Durham) (Lab): It is a pleasure to serve under your chairmanship, Mrs Main. We have had an interesting and wide-ranging debate. I shall begin by congratulating my hon. Friend the Member for Sedgefield (Phil Wilson) on securing this important debate. His description of the community

he serves is familiar to me. We are both very fortunate and privileged to serve as MPs for ex-mining communities. He is right to point out that, over many years, these communities have often been denied the tools to improve their areas, notwithstanding their ability and desire to do so. He was also right to remind us of the centrality of mutualism and co-operatives to the development of communities and, indeed, to the Labour party itself. Moreover, he was right to question whether the Government's agenda is more than self-help.

The hon. Member for Banbury (Tony Baldry) made a number of interesting points about the role of the state. I say to him that, if Labour went too far in using the state as a way of improving communities, I hope that he would accept that this Government could be going too far in dismantling the state, particularly the welfare state. He might also want to consider the impact of that on disadvantaged areas in particular. He was right, however, to applaud the Localism Bill, which includes some useful elements and has created high aspirations for what it could deliver in my constituency. I hope that the Government will deliver on their rhetoric for my constituents.

As we might have expected, the hon. Member for Carshalton and Wallington (Tom Brake) started off by blaming Labour for the world's ills, but I hope that he would accept that Labour set out a clear plan to reduce the deficit. We said that we would do it more slowly and carefully than this Government.

Tom Brake: If the plan was set out in such detail, will the hon. Lady clarify what its impact would have been on the voluntary sector and its capacity to deliver the sort of things under discussion?

Roberta Blackman-Woods: As I said, we set out clearly how we would reduce the deficit more slowly. The amount of money that we would have reduced would, therefore, have been less, so there would not have been these huge, up-front cuts affecting local government. Interestingly, the hon. Gentleman outlined vividly one of the points that I wish to make—the voluntary sector and the big society were not invented by this Government. Much wonderful community and voluntary activity is already taking place, as he demonstrated so eloquently by talking about what is happening in his own constituency.

The hon. Member for Hexham (Guy Opperman) outlined the obstacles that may prevent voluntary activity, but he gave little recognition to the fact that some individuals are more able than others to undertake such activity. Perhaps the atlas and geography of volunteering need to be taken into consideration. Nevertheless, I pay tribute to the many volunteers in his constituency and to the wonderful work that is taking place, as I do to the hon. Member for Wirral West (Esther McVey), who has pointed out that much is already happening in her constituency and that the Government could do more to enable further activity to take place.

On the contribution of my hon. Friend the Member for Sedgefield, he was absolutely correct to focus on what is undermining the big society, rather than to question the principles that underpin the idea of encouraging more volunteering, supporting community organisation and development, and giving a new impetus to social enterprise, co-operatives and mutuals. It would be churlish for us to do that. In government, Labour more than doubled the amount of money provided to the charitable sector, and we encouraged more volunteering. Organisations such as V did wonders to improve the number and range of volunteering activities available to young people, and that is just one example. The outcome of Labour's support for the sector was greatly to increase the number of those involved in volunteering, and to expand the role of the sector in delivering services.

Surely, therefore, it is a matter of great disappointment that recent data from the citizenship survey for April to September 2010 show that 24% of people volunteered formally at least once a month, which is a lower level than that which existed previously and, perhaps, a surprise given the emphasis placed on volunteering by this Government. We should not, however, be at all surprised that, this week, we began to see questions in the media about whether the cuts might be choking the sector and impeding the development of the big society. All MPs are now becoming aware of how cuts to funding are impacting on not just the voluntary sector in their constituencies, but on smaller charities and agencies that undertake highly valuable work in all of our communities.

As if things on the funding front were not bad enough, it is interesting to note that Phillip Blond—one of the architects of the big society—is quoted in the press this week as having to argue that the big society is not in crisis. Of course, as soon as he tries to defend the big society, we immediately think that it must be in crisis and that his comments suggest that there is trouble.

As my hon. Friend the Member for Sedgefield has so eloquently pointed out, Labour knows the value of supporting community development. My right hon. Friend the Member for Salford and Eccles (Hazel Blears) did much at the Department for Communities and Local Government to put community empowerment on the agenda, but I sometimes wonder if the current Government understand the support that some communities and sections of communities need for that.

We know that levels of volunteering vary hugely across the country, yet it is the areas that have the lowest levels of volunteering—the poorest areas—that are suffering most from the public spending cuts. Those are the areas where most needs to be done. The deprived inner-city areas of London and the northern cities are experiencing the most drastic cuts, which undoubtedly will be passed on to the voluntary sector. If we are faced with huge cuts to services and funding, the Government will have to redouble their efforts if they are to succeed in developing more enterprise and mutuals in those circumstances. The big society bank has been put forward as a means of achieving that, but there are big questions about the delay in its implementation and whether it will have enough resources to do its job.

As well as flagging up what is happening with the levels of volunteering, the citizenship survey is important in other regards. It shows that 86% of adults in England were satisfied with their local area as a place to live, that 85% thought their community was cohesive and that 64% were not worried about being a victim of crime. That is hardly evidence of the broken Britain that the Government feel has to be fixed by an army of volunteers. That is not to say that volunteering is not important; quite the opposite, it suggests that much of what the Government say they want to create already exists in communities up and down the country. We saw many

[Roberta Blackman-Woods]

examples of that this afternoon. If they are to do more, they need support in terms of finances, resources and infrastructure, at least in a number of areas that face multiple and complex problems and have social needs. Social action can be a key feature in turning communities around, but it is not the only ingredient that is necessary.

I hope that the Minister will say what support he intends to give to groups and agencies suffering cuts beyond the inadequate transition fund and, crucially, how his community organiser programme will work with existing organisations. Perhaps he could answer the question posed in yesterday's leader in *The Times* on why the Government still have to develop any signature policies or to bring examples of what the big society means. *The Times* was also useful for letting us know that the Minister has written to ask what ideas Conservative MPs have to make the big society a success. We will await the answers with interest. In the meantime, it is important to do what we can to support community and voluntary organisations and to develop social enterprises and mutuals, not least as a means of employment in our poorest communities. It will be interesting to hear from the Minister how he intends to achieve that.

3.43 pm

The Parliamentary Secretary, Cabinet Office (Mr Nick Hurd): It is a pleasure to serve under your chairmanship, Mrs Main, for the first time. We have had an excellent, wide-ranging debate and you have chaired it very firmly. I congratulate the hon. Member for Sedgefield (Phil Wilson) on not just securing the debate, but battling flu so valiantly and presenting a sincere picture of his concerns for his constituency.

I have picked out three things that I would like to respond to directly. First, I shall discuss the hon. Gentleman's suggestion that the Government do not really know what big society means—he talked about fresh air in that context. I would also like to address his valid concern about cuts to the voluntary community sector, which was picked up by his colleague who represents the beautiful city of Durham, the hon. Member for City of Durham (Roberta Blackman-Woods). I would then like to deal with the issue of landlords and how their practices risk unsettling, dividing and undermining communities.

Out of courtesy, if I could address the specific issue first, I will undertake to write to my right hon. Friend the Minister for Housing and Local Government on the issue of a national register. That subject is not my direct responsibility and I am sure that there are lots of complexities underlying his suggestion, so I will write to the Minister for Housing and Local Government to alert him to the concern expressed in this debate. I have discussed the matter with a colleague who represents a seat in Cornwall. That is a long way from Sedgefield, but it has exactly the same problem the hon. Gentleman mentioned. That area adopted the grass-roots solution of personal advocacy. Basically, the community was fed up with the situation, so it got together and lobbied directly the people causing the problem and forced a change in policy. I do not know how applicable that is in Sedgefield, but there are examples around the country where that problem has been tackled by grass-roots action—a very big society response. I will write directly to the Minister on his behalf.

Phil Wilson: Will the Minister give way?

Mr Hurd: I will not take an intervention at this point because I want to move on from that issue.

I shall address the hon. Gentleman's main concerns about what the big society is, what the Government are trying to achieve and what we mean by it. If he wants to look at the record tomorrow, he will see that my hon. Friend the Member for Banbury (Tony Baldry) articulated the matter as well as anyone, when he talked about trying to promote a greater culture of social responsibility. The idea is not fresh air because, as the hon. Member for City of Durham and various hon. Members pointed out, a lot of wonderful activity is going on in constituencies across the country, where people are working together and giving up time to try to find better ways of doing things, supporting initiatives and getting things going.

The Government want to throw a bigger spotlight on that activity to try to make it easier for people to do more such things and be more ambitious. The matter should not be divisive. My hon. Friend the Member for Wirral West (Esther McVey) put the argument beautifully. We should all be encouraging such things. I shall put the matter simply: it is about trying to encourage more people to get involved. There is no point pretending that all is rosy in the garden, as I think both Labour Members were saying when they cited the citizenship survey. We know that the country faces enormous challenges and that there are very stubborn, expensive social problems. It seems absolutely ridiculous to continue pretending that the state, people here or in Whitehall or even local authority chief executives somehow have all the solutions.

From my constituency, I know that we have barely begun to scratch the surface of the value that residents—constituents—can bring to the idea in terms of tapping into the talent, expertise, experience, ideas, networks and skills that are out there in communities. The big society is about trying to get more people involved and engaged in traditional volunteering or in that hugely important valuable work that we all know about from our constituencies. It is about providing the opportunity to give time to help improve someone else's life. The value of that is two-way. Of course, we want to encourage more of that, but it is by no means the whole story. The big society is also about trying to get more people involved in shaping the future of communities, in the decisions that really matter and in trying to save things if things need to be saved, such as post offices, pubs, shops or whatever. It is about trying to combat the voice that I hear from constituents who say, "It's not worth getting involved because it's not as if we can change anything." That is what we want to change.

The big society goes beyond that into the reform of public services and trying to open those up and get the people who pay for them and use them more involved in them. Again, in my constituency, I get a sense that people are becoming increasingly resentful of just taking what they are given and feeling that matters are being dealt with in a very detached way. Yes, this is about encouraging more volunteering, but it is also about getting people more involved at a local level in shaping the public services that they use. My hon. Friend the Member for Hexham (Guy Opperman) used the powerful expression "giving the power back," which I liked.

The hon. Member for Carshalton and Wallington (Tom Brake) was entirely right: that is what people want; they would like to get more involved. The citizenship survey showed that, and we are trying to make it easier.

There is a specific, proactive, big role for Government. There is no point in pretending that suddenly Government will disappear. The Government will play a hugely important part in all our lives, whatever the scale of the spending cuts. However, when it comes to making it easier for people to get involved and making the case for that more compelling, the Government are absolutely committed and on track, and will be delivering through three strands of action.

The first strand is about transferring real power to communities. That is now moving from words to realities. The specific measure has been mentioned—the Localism Bill. I am very pleased about and encouraged by the welcome that it has received, not least from the hon. Member for City of Durham. It is raising expectations. I think that that is right. People are excited about it, which suggests that its time has come. It is a huge piece of legislation, with lots of new rights and opportunities. However, there is more to the issue than just legislation.

The hon. Member for Carshalton and Wallington challenged me to be more specific about what we are doing to get out of the way. He was entirely right. If he listens to my right hon. Friend the Secretary of State for Communities and Local Government, he will get the sense that that is a Secretary of State who wants to do exactly that. He wants to change the whole nature of his Department so that it works for citizens.

The hon. Gentleman may be aware that our approach is to send this message to communities: "Tell us what is getting in the way and we will work to see what we can do to remove it." There is a specific barrier-busting service, of which he may be aware. That flows from a very powerful piece of legislation called the Sustainable Communities Act 2007, which I took through Parliament as a private Member's Bill. Already, communities are responding to this invitation: "Tell us what's getting in the way and we will see whether we can remove it, but give us the specifics." The new website was launched a few weeks ago, and I think that more than 50 proposals have come in already. That is on top of the 300 different proposals that we had for the first wave under the Sustainable Communities Act. These things are community driven, so there is a real determination on our part to get out of the way.

The second strand is about public service reform: opening up the public services to new providers, including, specifically, the voluntary and community sector; bringing those services closer to the people who use them; and liberating people who are in the front line delivering the services. My hon. Friend the Member for Banbury talked passionately about schools. He will know from his experience with local heads about their desire to be liberated. Specifically in relation to public service reform, a White Paper, which I think will be published next month, will set out our stall on that and explain exactly how we intend to go about it.

The third strand is about social action—trying to inspire people and make it easier for them to give time and money to get things done locally to help people. Again, the words are now being backed up by actions. The Cabinet Office has published a Green Paper on giving, which will lead to a White Paper. We seek fresh ideas on what Government can do with partners—the charitable sector and business—to make it easier for people to give time and money.

We have announced the pilots of the next phase of the national citizen service. Again, that is a powerful, positive programme, which is designed to connect young people with their ability to make a contribution to their communities. I think that one of the biggest pilots, involving 1,000 young people, is taking place on the edge of the constituency of the hon. Member for Sedgefield. I urge him to engage with it, because I have seen that that programme can be very powerful in lifting the aspirations and confidence of young people.

The hon. Member for City of Durham rightly challenged me on this important point: the big society must be open to all. We all know that some communities are in a stronger position than others to take advantage of it. I represent a relatively affluent, suburban constituency on the edge of London, a long way from Sedgefield. My communities are well networked, strong and ambitious and, I think, will respond quickly to that agenda, but other communities will need some help.

The Government are determined to be proactive in encouraging, supporting and helping those communities to help themselves. That is one of the driving forces behind our community organiser and community first programmes, which we will be announcing more details of soon. The aim will be to establish, in those communities, people who can bring people together, organise communities and start building networks—people who have the confidence to start getting people together to get things done. With that will be a neighbourhood grant programme. Again, that will be targeted on the most disadvantaged areas, where the social capital is lowest. It will put money into the hands of neighbourhood groups to help them to develop and deliver on their own plans. The hon. Member for City of Durham mentioned the big society bank. That is wholly designed to make it easier for social entrepreneurs—people who want to take a bit of a risk to get things happening and who want to do things differently in those areas—to access capital.

The Government are doing things, but things are also beginning to happen in communities. My hon. Friend the Member for Banbury was very modest about his pioneering work on developing job clubs in his constituency. My hon. Friend the Member for Hexham is getting a big society initiative going in his constituency. In my constituency, I am convening people in exactly the same way—in one ward, people are concerned about the future and feel that they need to come together and think about a neighbourhood plan for the area. I am facilitating that.

Last week I was in Halifax, where groups of people from the public sector—different stakeholders—were gathered round a table, talking about partnership in a way that they never had before, because they felt that that was possible and they were being encouraged to do it. One could sense that they were not going to go back to the bad old ways of sitting in their silos and just pursuing their individual targets and budgets. Something is happening and changing out there, and it needs to, because we have to find better ways of doing things.

I shall spend the time left to me on dealing with the very important issue of cuts to the voluntary and community sector, which is an emotive issue for many hon. Members. I have written to every Member of

[Mr Hurd]

Parliament, inviting them to bring in representatives of their voluntary and community sector to talk to me about that, and many have taken up the invitation.

Of course, the voluntary and community sector is hugely important to this project, because of its ability to support and mobilise people, but it is not—we should be frank about this—the whole story. Business has a hugely important part to play, as do citizens and residents groups and as do Government. Charities are not a proxy for community, but they are a hugely important partner in the process.

There is a very difficult issue, which we should not underestimate, in relation to managing the transition. However, we need to be honest about this. Unfortunately, the sector cannot be immune from the cuts. The nation is spending £120 million a day in interest and borrowing £1 for every £4 that we spend. That is not sustainable. We have to reduce public spending on a scale that means that, unfortunately, the sector cannot be immune. That would have been a reality confronted by the Labour Government, exactly as the hon. Member for Carshalton and Wallington emphasised, so there are cuts and there will continue to be cuts.

Tom Brake: Will the hon. Gentleman give way?

Mr Hurd: I would rather not, because I would like to finish this important point. The numbers being bandied around are entirely speculative. The Government are monitoring the situation closely, at central and local government level, because we are concerned that the process should be managed properly. We established a transition fund, which has now closed. That process was well run. From the Prime Minister down, we have sent a strong steer to local authority leaders that we do not expect them to take the easy option of making cuts to the voluntary and community sector before they have taken the opportunity to pursue their own efficiencies. Many councils, such as Reading and Wiltshire, which I heard about today, are increasing the amount of funding that they are giving to the voluntary and community sector. We are continuing to invest in the training of commissioners. We have reviewed and updated the compact, which is the framework that steers the relationship. The Office for Civil Society is continuing to invest to support and strengthen the sector.

We have three priorities. We ask ourselves, "What are we doing to make it easier to run a charity or voluntary sector organisation?" We are continuing to invest in infrastructure to support the sector. We are examining the red tape and regulation that get in the way. There are reviews across Government in respect of the Criminal Records Bureau and health and safety. Again, we are trying to get out of the way where we can. We are actively examining ways of getting more resources into the sector. The giving Green Paper is about trying to stimulate more charitable giving. The social investment bank—the big society bank—is about trying to grow a new market of social investment. We are reviewing everything that we can to try to make it easier for charities, voluntary organisations and social enterprises to deliver more public services.

The transition that we have to manage is very difficult, but we are trying to help the sector to work towards a future in which it can be a very active player in the big society, delivering more public services, helping to give people a voice at local level, and benefiting from the extra time and money that we hope people will give. The Government are absolutely determined to make it easier for people to get involved, to live in even better connected communities and to feel part of something bigger.

UK Internet Search Engines

4 pm

Graham Jones (Hyndburn) (Lab): Thank you, Mrs Main, for chairing this Adjournment debate. I am told that it is on a subject that has not been addressed in Parliament so substantially before. However, the subject affects the UK economy and other European economies, and my constituency particularly.

Reach Global, in the ward of Church in my constituency, is a major online company involved in the search for, and retrieval and collation of information—it is a search engine. Netmovers is a major property internet search site that Reach Global owns and it is part of Reach Global's portfolio of vertical UK search engines. Reach Global's owners are resident in the UK, they pay taxes in the UK and they employ and train British people. Reach Global is a cutting-edge British company, but like many British companies it is being squeezed out by unfair and anti-competitive practices by Google. There is growing evidence that Google is leveraging its dominance in the search engine market into adjacent markets, much as Microsoft did when it leveraged its dominance in the operating systems market into adjacent markets, such as the web browser market.

E-commerce and e-business are booming. According to 2009 figures from the Office for National Statistics, the UK's digital economy supports 143,000 enterprises, generating a total turnover of £178 billion of revenue, with nearly £100 billion of gross added value to the UK economy. Against that exponential growth, however, there is evidence that some smaller companies are finding that they are unable to gain access to the online search engine market.

According to Ofcom, in May 2010, 87% of internet search engine users chose Google. Numerically, that is 32.4 million out of 35 million UK searches, which was up 5% on the previous year. Google's grip is tightening further. By January 2011, its market share had risen to 91% of the UK search market and as a result it dominated online advertising revenue. Bing has 3.87% market share, Yahoo! 2.85%, Ask 1.26% and the remainder of the providers, including UK providers, have just 1.34% of market share between them.

Google has been the focus of much criticism, with claims that it could be abusing its dominant position in the market. In my view, Google has gone from being a competitor to a predator and from a horizontal organic search client to a monopoly giant, with subliminal and unclear sponsored searches that favour other Google products.

It is important that we create the right market conditions to facilitate innovation in the online economy. Competition must be allowed to flourish, which I believe would create the right conditions and defend the interests of British companies, particularly high-tech IT companies.

Concerns are now being raised that Google's dominant position is stifling innovation and preventing smaller companies from entering the market. Earlier this month, Google was in the headlines for disclosing that in 2010 it had made £2.2 billion in the UK market, claiming approximately 50% of UK online advertising revenue.

All that has led to Google becoming subject to an EU anti-trust investigation into its European operations, with allegations of anti-competitive behaviour. There are suggestions that Google's search results are influenced by advertising and even that Google's technology might deliberately lower the visibility of rival sites.

Acting as the principal gateway to the internet, Google has a responsibility to ensure that it provides an open and transparent service, and one that is free from bias or purchased favouritism. Because of its domination of the global search market and its ability to penalise competitors by placing its own services at the top of search results, Google has a virtually unassailable competitive advantage. Moreover, Google can deploy that advantage well beyond the confines of the search engine sector to any service that it chooses. Wherever it does so, incumbents are toppled, new entrants are suppressed and innovation is imperilled. The top result in any search usually results in 50% of the traffic going through that site, so it is easy to see why anyone would want to have the number one slot in the return on any search that is made.

The preferential placement of Google's price comparison service, for example, caused traffic to the UK's leading price comparison services to fall by an average of 41% over two years. During the same period, internet traffic in general rose by 30%. That is a marked contrast, but more marked is the fact that traffic to Google's price comparison site rose by 125% during the same period.

The preferential placement of Google Maps decimated traffic to Multimap and Streetmap, the UK's two leading online mapping services. The share price of TomTom, a European maker of navigation systems, fell by 40% this week after the announcement of Google's free turn-by-turn satellite navigation service. RightMove, Britain's leading real estate portal, lost 10% of its market value on the basis of a mere rumour that Google was planning a UK property search service.

The delineation between advertising and search results is becoming blurred. It is becoming more difficult to separate a sponsored from an unsponsored result. Google's revenues exceeded $29 billion last year, but that pales next to the hundreds of billions of dollars of other companies' revenues that Google controls indirectly through search results and sponsored links. That revenue-driven model has encouraged Google to begin promoting its own services at or near the top of its search results, bypassing the algorithms that it uses to rank the services of others.

Reach Global in my constituency currently hosts a UK-focused search engine that is in its seventh incarnation. The search engine, Searchers, has been in continual development for seven years and is independent and owned and funded by a private company. It is a very British enterprise. I am led to believe that it is the largest UK search engine apart from those emanating from the United States. Reach Global believes that Searchers could have an important role to play in the domestic economy where it claims Google fails: focusing on British business, promoting a sense of our national identity and, crucially, aiming to keep at least a portion of the massive advertising revenues available within our economy. As it is UK-based, its results are relevant to UK users.

I hope that the Minister will take up an offer to visit Reach Global. It is a fantastic company, and its investment in IT is incredible. I hope that he will accept that offer and see for himself what a great company it is. According to the ONS, Reach Global is one of 65 businesses

[Graham Jones]

working in the information and communications sector in Hyndburn, one of 2,000 in Lancashire and one of 144,000 in the UK.

Foundem is another British company that appears to have been blocked or sanctioned by Google in what appears to be a misuse of internet-filtered search results. The company provides search database solutions to a variety of British high street companies. It was leading the way in supporting US and European Union investigations into monopoly practices. In 2006, Foundem dropped to 144th in Google searches but remained first on Yahoo! and seventh on Ask. It is time to look beyond network neutrality and consider search neutrality: the principle that search engines should have no editorial policies other than that their results be comprehensive, impartial and based solely on relevance.

Without search neutrality rules to constrain Google's competitive advantage, we may be heading toward a bleakly uniform world of Google everything—Google Travel, Google Finance, Google Insurance, Google Property, Google Telecoms and, of course, Google Books. Some will argue that Google is so innovative that we need not worry, but Google Maps, Google Earth, Google Groups, Google Docs, Google Analytics, Android and many other Google products are all based on technology that Google has acquired rather than invented.

It is not just about computers. Google's Android smartphone operating system is gaining significant market share. The bundling of Google products with the operating system puts other companies that offer a free product, such as Skype, at risk of losing out to Google's in-built advantages.

Mike Weatherley (Hove) (Con): Will the hon. Gentleman give way?

Mrs Anne Main (in the Chair): Order. Is the hon. Member for Hyndburn (Graham Jones) prepared to give way?

Graham Jones: I will.

Mike Weatherley: I thank the hon. Gentleman and congratulate him on securing this debate. I have also met representatives of Foundem. Does he agree that the Google position is stifling British businesses? I congratulate him on taking part in this debate, and particularly on championing the British aspect.

Graham Jones: I welcome that intervention, which is helpful. That is quite true, and it is the thrust of the point that I am making. British companies are being stifled. Moreover, the Treasury is losing out. In 2008-09, *The Guardian* reported that Google, by locating its companies outside the UK, avoided paying £450 million to the UK Treasury, and that was just in one year. Google is also taking advantage of the lower tax rates. It has leverage with large organisations and can employ other commercial anti-competitive practices to the disadvantage of British companies. I take on board the hon. Gentleman's point; it is very relevant.

I want to come on to the extension of Google into the mobile market. There is speculation that Google may seek to acquire, or seek preferential contracts with, 3G networks specifically to harness advantageous proprietary Google technology into that network, which again would be to the disadvantage of other companies.

Although I am aware that competition law is predominantly dealt with on a European level, what legislative and non-legislative efforts do this Government intend to take to address the imbalance and protect cutting-edge British companies, such as the one that the hon. Gentleman mentioned? I am sure that in his constituency he has IT companies like Reach Global that need our help. What action are the Government planning to take to ensure that a competitive yet innovative market exists in the UK online industry, for the benefit of companies, customers and the economy?

At a time when other markets are struggling, the online digital economy is growing and innovating. We must ensure that it remains open to fostering as many innovative competitors as possible and that British companies and British interests are not compromised.

A recent study by the Boston Consulting Group found that the internet contributed an estimated £100 billion to the UK economy in 2009. To put the figure into perspective, it contributed more than construction, transport or utilities. To achieve its full potential, smaller businesses need to be given the opportunity to grow. The Government need to ensure that we create the right conditions for new economic activity to flourish.

In conclusion, it is in the interests of customers, business and securing the recovery of the UK economy that this issue be dealt with.

4.12 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): It is a delight to serve under your chairmanship again, Mrs Main. I congratulate the hon. Member for Hyndburn (Graham Jones) on securing this debate. Initially, we were scratching our heads when the title was first put in front of us. In a sense, though, the debate is very much about Google and its dominant position in search.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I congratulate my hon. Friend the Member for Hyndburn (Graham Jones) on securing this important debate. Although I recognise his concerns, he has opened up a wider issue, which involves competition, innovation and the internet. I hope that the Minister will address the issue of his Department's responsibilities for securing competition on the internet to ensure that the UK can play a leading part in the innovation and economic benefits that will follow.

Mr Vaizey: I will certainly try to do that. If I do not, I hope that the hon. Lady will intervene again to get me back on the straight and narrow. Essentially, the hon. Gentleman was talking about his concerns, and those of some of his constituents, who appear to be running very interesting, go-ahead, high-tech companies—exactly the kind of companies that we want to encourage in this country. There are concerns that the growth and potential of such companies are being stifled by the alleged dominance of Google. Let me give an illustration of how pervasive Google is—"dominance" is a word that is pregnant with other meanings, so I will use "pervasive". The hon. Gentleman has cited the Boston Consulting

Group report, which pointed out the value of the e-commerce market in the UK. My understanding is that that report was commissioned by Google, which just goes to show that almost everywhere we turn, there is a debate about Google.

This is the second time in this Chamber that we have had a debate in which the focus has been on Google. The previous debate was about the breach of privacy that was carried out by street cars that Google put on the road to create Google Street View. Many hon. Members raised concerns about not only that specific breach but privacy on the internet. It is my responsibility, within Government, to try to shape internet policy, so I will try to address some of the issues that the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) raised.

Jim Shannon (Strangford) (DUP): Is the Minister aware that a great many people with tremendous talent in my constituency have had to leave Northern Ireland to get jobs elsewhere? What steps does he intend to take to ensure that that ability and experience can be utilised to its full potential here in the United Kingdom? What does he intend to do to encourage and foster business?

Mrs Anne Main (in the Chair): Order. This is a very short debate and I ask that interventions are kept brief.

Mr Vaizey: I am grateful to you, Mrs Main, and for the intervention.

What is the current position regarding search engines? It is absolutely true that the foremost popular internet search engines in this country are based in America. The top two have more than 90% of the market, and that situation is replicated pretty much across the globe, as evidenced by Google's global market share of around 85%. On one level, the internet search engine market obviously operates in a free market environment, and in the UK there are no barriers to a consumer's ability to switch to a preferred search engine or to stay loyal to the one of their choice. Many search engines, including the most popular, have local versions that search only UK websites.

Graham Jones: Will the Minister comment on the bundling of browsers? Apple's Safari has a direct link with Google, in that the Google search is in the taskbar, and Microsoft's browser has its own Bing search engine. Will the Minister admit that such bundling practice is anti-competitive and does not create an open and level playing field with fair competition?

Mr Vaizey: It is open to the consumer to choose the product that best suits them, but it is also open to individual companies to partner with whichever companies they choose. Consumers want a service that offers good performance and enables them to find what they want quickly and easily. Google has entered a market and gained market share by giving consumers what they want.

The hon. Gentleman is obviously not speaking in a vacuum, and he referred in his speech to the investigation that is being undertaken into Google. All businesses operating in Europe have to comply with competition law, and the EU is carrying out an anti-trust probe into the alleged abuses by Google. He has mentioned the case of Foundem, which was one of the companies that took a complaint to Europe to secure the probe. It cited allegations of manipulation of its search results, particularly the unfavourable treatment of its unpaid and sponsored results, and the preferential placement of Google's own services. The probe clearly demonstrates that regulators are alive to the possibility of dominant market players abusing their positions.

The hon. Gentleman also made the point that a number of companies in the UK—not least in his constituency—have concerns about Google's alleged dominance. It is perfectly open to those companies to ask the Office of Fair Trading to investigate, and I understand that OFT considered the Google case in 2009 and concluded that there was no evidence to suggest that UK consumers had suffered as a consequence of Google's market share. In his evidence to the Culture, Media and Sport Committee, John Fingleton, the director general of fair trading said:

> "Where a company has achieved that position by superior innovation, foresight and better targeting of customers, we're very wary of intervening...We see a lot of customers benefit from what's happening in this marketplace from very high innovation—it's good for the British economy. We don't want to send a negative signal about that."

We must keep in mind that there are, according to one source, 177 UK search engines servicing the UK market, including not only the organisation that the hon. Gentleman has mentioned, Reach Global, but companies such as Mojeek, which is based in East Sussex and offers a

> "crawler based search engine providing unbiased, fast and relevant search results combined with a clean user interface and user privacy conscious approach."

It is important to say that where allegations of abuse are made, it is open to individual companies to approach the Office of Fair Trading. We have a robust competition regime in this country and in Europe, and where there is evidence of abuse, it is perfectly possible for the relevant competition authorities to investigate it.

We are debating Google, but we could be debating equally interesting issues involving individual companies on or engaged in the internet. For example, many people who use the internet do all their transactions or engagements via Facebook. The hon. Member for Hyndburn has mentioned Safari's tie-up with Google, but again, if one has an iPhone or iPad, much of one's engagement with the internet works through applications vetted and sold by Apple. We are, to a certain extent, coming to a point in the development of the internet where consumers may choose to stay with one or two trusted sites or companies, be it Apple, Facebook, Google or a particular internet service provider, as well as using the open internet where people search and find information.

It is also worth making the point that many ISPs in this country are British-based. One can access the internet through BT or Virgin Media. When raising concerns about the dominance of Google, we should also celebrate the fact that a British company such as BT, which is at the heart of our tech industry, is a global company with a presence in 170 nations around the world.

On general internet policy, the hon. Member for Newcastle upon Tyne Central was probably inviting me to talk a bit about net neutrality, among many other things that take my interest. I am conducting a number of round tables and much policy development work on a host of different issues. The first is illegal piracy and

[Mr Vaizey]

the unauthorised downloading of music and film. I am seeking to implement the Digital Economy Act 2010, which will obviously affect the development of the internet. There is also the protection of children from inappropriate content. Again, I am seeking a self-regulatory solution from ISPs in order to give consumers the opportunity to choose to protect their children from inappropriate content.

Another issue on which I have spoken and which has produced an interesting debate is net neutrality, on which I will briefly set out the Government's position. The term "net neutrality" is difficult, because it means different things to different people. Interestingly, my speech on the subject was called, "The open internet", but it was interpreted in entirely the opposite way. Let me be clear that we are absolutely committed to an open internet. That is relevant to the constituents of the hon. Member for Hyndburn, because we want small, high-tech and internet companies to have an opportunity to reach consumers without being unfairly discriminated against.

The internet has developed at a huge pace and in directions that were impossible to predict, so we are wary about introducing legislation that would dictate how it might evolve. In my opinion, the internet has done very well without over-regulation, and I want such innovation to continue. Nevertheless, the improved transparency requirements provided by recent revisions of the electronic communications framework, along with a competitive marketplace and the ability to switch easily between providers, should mean that regulation in that area is unnecessary. We want to give the market the opportunity to self-regulate, which is important, but Ofcom will monitor closely how the market develops. If it develops in an anti-competitive way, Ofcom will have the appropriate powers to intervene.

Graham Jones: Does the Minister agree that the examples I quoted about Google's rise show that that has taken place at others' cost and that other companies have fallen? What has happened has been to the disadvantage of UK firms in an anti-competitive way.

Mr Vaizey: That is a difficult question to answer. First, Google operates in a competitive environment, where there will be winners and losers. As UK citizens, we may be patriotic enough to have wished that it was a UK search engine that had won that particular battle, but the fact is that it was Google. My second point is that it is an open internet, and it is open to any consumer to use any search engine that they choose. Thirdly, although I am not here as an advocate for Google, it is probably worth pointing out that, as a search engine, Google has provided huge opportunities to UK companies—not just high-tech companies, but retailers and small businesses—who have the opportunity to reach a global audience.

The hon. Member for Strangford (Jim Shannon) has mentioned the talent and ability of young people in Northern Ireland—I completely concur with his comments—and invited me by implication to talk about how we plan to ensure that our creative industries in this country continue to flourish. In that respect, the hon. Member for Hyndburn and, indeed, his constituents, whose letter I was fortunate enough to see a copy of, are right to point out that high-tech innovation takes place not only within the M25, but all over the country. The north-west and Northern Ireland are two particular areas where there is a lot of expertise and skill. Particularly in the north-west, the development of Salford and MediaCityUK will have a significant impact on the growth of creative industries. The creation of Creative England, with one hub in Manchester, is a source of Government support for the creative industries in general, and I hope that that organisation will have an impact.

In general, we want to create new businesses to try to keep our young talent here. We want to lower the regulatory barriers that have a huge impact on the sector, including employment and environmental laws, and take account of the cumulative impact of existing and potential regulation. We want to look at the international regulatory regime and how it should adapt to the rise of the internet and the challenges and opportunities that it presents.

The constituents of the hon. Member for Hyndburn mentioned the Hargreaves review, which will look at the intellectual property system and consider how it can possibly be reformed to overcome barriers to growth and enable business models to develop that are fitted for the digital age. We want to look at the application of the competition regime and consider how it should be best structured, empowered and guided to deliver a competitive and thriving UK media system. We also want to look at the removal of blockages in the skills system, which mean the needs of employers in the sector are not fully met.

Graham Jones: On the correspondence that he has received from Reach Global, will he accept my offer to come to Church to have a look at that company? I would appreciate that.

Mr Vaizey: Absolutely. The hon. Gentleman has asked me twice now, and the second time he did so particularly nicely. It goes without saying that I am delighted, honoured and flattered to be asked to visit that company in the hon. Gentleman's constituency and see the work that it is doing, which has impressed him so much.

Those are some of the issues that we are considering under the creative industries growth review. Let me sum up briefly. First, I absolutely understand the hon. Gentleman's concerns about Google. The EU anti-trust investigation reflects the widespread concerns, although Google operates in a competitive market and the Office of Fair Trading investigated the issue about 18 months ago. Secondly, I passionately believe that we need an open internet that is not overly regulated and that allows innovation and competition to develop. Thirdly, we are focused on our creative industries growth review, which we hope will produce a strategy for growth that will help young people in Northern Ireland, in the north-west and in the north-east, and that will help this country's huge creative advantages.

Holiday Accommodation

4.30 pm

Gordon Henderson (Sittingbourne and Sheppey) (Con): I want to begin by saying how grateful I am to Mr Speaker for allocating time for this debate, which I will use to address two connected issues that I am sure are important not only to my constituency of Sittingbourne and Sheppey but to a number of other constituencies with similar demographics. The first issue relates to how we provide development land for much-needed affordable homes, particularly in rural areas, while at the same time protecting what remains of our green spaces. The second issue is how we can help to revive the holiday homes industry on the Isle of Sheppey to reinvigorate the local economy, while at the same time bringing the current stock of holiday homes closer in line with actual need.

I want to deal with the latter issue first. There are more than 7,000 holiday homes in my constituency, mainly mobile homes and chalets. Much of that accommodation is of a high standard, although very little of it is currently suitable for occupation all year round. However, some of the accommodation in my constituency, particularly some of the chalets, is of a very poor standard and is simply not fit for use in the 21st century, even for a one or two-week stay.

I am keen to see a revival in the holiday industry on Sheppey. There is much to commend the island as a holiday destination. It is steeped in history, with one of the oldest churches in the country and an abbey that can be traced back to the birth of Christianity. There is also the recently restored Shurland hall. It was built by Sir Thomas Cheyne, and it was where Henry VIII dallied with Anne Boleyn during their ill-fated marriage. In addition, Sheppey has a rich naval heritage and is also the birthplace of British aviation. Furthermore, the island has some fantastic natural habitats, including the Elmley bird sanctuary, which forms part of one of the most important wetlands in the United Kingdom. Sheppey is easy to get to, with good road and rail links, and it is close to London, Canterbury and Dover.

I make no apology for sounding like a travel agent, Mrs Main. I am proud of Sheppey, and I want to encourage more visitors to the island, so that they can share its riches. To cater for those tourists, we need to maintain a stock of good-quality holiday homes. However, the holiday industry in my constituency needs support and flexibility, if it is to act as the catalyst to reinvigorate the economy of Sheppey, particularly on the eastern end of the island, which has experienced a steady decline in fortunes during the past 30 or 40 years. At this point, I declare an interest, because eastern Sheppey is the area where I cut my political teeth, representing its people on both Swale borough council and Kent county council.

The support for the island's holiday industry must come from local and national Government. Nationally, I hope that the Government will introduce regeneration measures to help the coastal communities on Sheppey, which contain some of the most deprived wards in the country. Locally, we are looking for support from Swale borough council, which until four years ago offered a 50% council tax discount to the owners of second homes or holiday chalets. That discount has dropped to just 10%, and I hope that in time, as the economic climate improves, the 50% discount can be reinstated, because such financial support would encourage chalet owners to upgrade their properties.

In addition to support, holiday park owners also want more flexibility in the length of time that they are allowed to stay open. I know that Swale borough council is actively reviewing whether the current eight-month occupancy period, which has been imposed on many holiday parks, can be extended to 10 months. I commend my colleagues on the council for undertaking that review, because the extra two months of occupation could make a real difference to the viability not only of the holiday parks themselves but of the many local businesses that rely on holidaymakers for their trade.

I am realistic enough to know that the holiday industry on Sheppey will never return to its 1950s heyday, because we live in a different world. People can now have a two-week holiday in Greece or Turkey for the same price as a week in Britain. Even the Isle of Sheppey cannot guarantee that the sun will shine during a British summer. In Sittingbourne and Sheppey, we must recognise that we no longer need 7,000 holiday homes to cater for the number of holidaymakers whom we can expect to attract.

That leads me back to my first issue, which is how we can provide development land for much-needed affordable homes, particularly in rural areas, while at the same time protecting what remains of our green spaces. We can go some way towards answering that question by bringing our holiday-home stock more in line with current needs and allowing some development on the land that is released.

The vast majority of our excess capacity holiday homes are located in rural areas. Subject to local approval, which is vital, some of the poorest-quality chalets could be redeveloped to provide good-quality, affordable, all-year-round accommodation, such as the bungalows found on the Parklands Village development in my own constituency.

The irony is that although the Parklands Village homes were built to full building regulations and energy efficiency standards, the home owners can only live there for 10 months of the year and have to find temporary accommodation for the other two months. As I have said before in the House, such a situation is both perverse and ludicrous. Of course, any proposed development would be subject to normal planning and building regulations, which would include consideration of the highways implications and a requirement to provide the necessary infrastructure to support such development.

The problem is that some local planning authorities are loth to grant planning permission for the development of all-year-round housing on holiday sites, insisting that the land on which parks that close down are located must revert to rural status. A solution would be for the Government to classify as brownfield land redundant, out-of-use holiday home parks.

Five identifiers are used to define brownfield land: previously owned land which is now vacant; land that has vacant buildings; land and buildings that are derelict; other previously developed land or buildings that are currently in use but that have been allocated for development in the adopted plan or that have planning permission

[Gordon Henderson]

for housing; and other previously developed land or buildings, where it is known that there is potential for development.

Holiday home parks might be included in any one of those categories. However, explicitly including holiday park homes as a sixth identifier would leave planning officers with absolutely no room for doubt. Such a policy would not solve the housing problem that we inherited from the previous Government, but it might go some way to providing more affordable homes and perhaps ensure that young people in my constituency can afford to clamber on to the first rung of the housing ladder.

4.38 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is a pleasure to serve under you, Mrs Main. I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) on bringing to the Chamber his understandable concerns on two linked issues. I will do my best to give him some comfort on at least part of what he has to say. I am not sure whether this is an interest that I need to declare, but shortly before he was born, I had a holiday on Sheppey. I have been there, and I expect that somebody bought me the T-shirt.

Gordon Henderson: Since I am 63 tomorrow, I suspect that that is not quite true.

Andrew Stunell: I am sure that we both wish that that were the case. I have a recollection of the island and its unique character. I have not had the opportunity to go back, which I am sure will upset my hon. Friend. As he has said, times have moved on and he has painted an eloquent picture of the challenges faced by Swale borough council and locally elected representatives, as well as the challenges that he faces as the Member of Parliament.

Julian Sturdy (York Outer) (Con): I congratulate my hon. Friend the Member for Sittingbourne and Sheppey (Gordon Henderson) on securing this debate and wish him many happy returns for tomorrow. Important points have been made not only about the importance of affordable housing, but about protecting the green belt. The Minister has mentioned the issue of other authorities. The issue with affordable housing in my area of York is very similar to that faced by my hon. Friend. The real problem is that we are not getting development going, and it is the affordable housing thresholds, which are being imposed through the planning process, that are causing developers not to bring land forward. A 50% affordable housing threshold means that 50% of nothing is nothing. Does the Minister think that reducing the threshold might lead to more affordable housing throughout the country?

Andrew Stunell: I thank my hon. Friend for his intervention and I will do my best to give him some assurance, but I will come to that in a moment.

I want to start with the wider context. We the Government are certainly committed to a major upswing in housing to meet Britain's housing needs. I think that it is well understood in the Chamber that the level of household formations is approximately twice that at which new homes are being provided, and that is clearly challenging for us. There is an urgent need for low-cost, affordable homes for sale and for rent. The Government's comprehensive spending review announced proposals to introduce a social and affordable housing programme and, by tackling the overall, macro-economic situation, the Government are strongly committed to creating an environment in which the private sector can flourish as well. We want greater stability in the housing market and house price rises to be more in line with earnings growth.

We have put in place a number of policies that are explicitly designed to generate that investment. The new homes bonus scheme will be a powerful and simple incentive for local authorities and communities to increase their aspirations for housing growth. I was interested in what my hon. Friend the Member for Sittingbourne and Sheppey had to say about the council tax discounts that have been applied on Sheppey. That is not, of course, a direct generator of new investment, but I want to assure him that the level of discount is a matter for the borough council to determine, and that it is not prescribed by this House.

My hon. Friend asked about a number of other things relating to the current management of the holiday home stock on the island. He drew attention to the fact that the borough council is considering whether to change the planning conditions on the requirement of residence from eight to 10 months a year. That is a matter for the planning authority to decide, and it has the flexibility to do that. Again, it is not subject to national rules and restrictions in so doing.

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): May I add to the various comments made by my hon. Friends? I represent an area of south-west Wales that is heavily dependent on the holiday industry, and I wonder whether we are missing something. Will the Minister comment on the report of the Affordable Rural Housing Commission, which the previous Government, to their credit, put in place? It made the point that other hon. Members have made about the flexibility of planners and how some of them might not be as flexible as they could be—

Mrs Anne Main (in the Chair): Order. Interventions should be brief, particularly in short debates. I ask the Minister to respond.

Simon Hart: I apologise, Mrs Main.

Andrew Stunell: Thank you, Mrs Main. I understand the points that are being made and I hope that my hon. Friend will get some comfort when I address the changes to the planning system, which are currently being discussed by the Committee that is considering the Localism Bill.

As I was saying, the borough council has the flexibility to decide what planning conditions it imposes on both existing and projected new developments. Such flexibility already exists in the current planning regime. I will say in a moment how I believe the measures that we have announced in the Localism Bill—should they find favour with the House—will increase the flexibility of local planning authorities to deliver what my hon. Friends, now numbering three in this debate, are really asking for.

We do not consider that holiday caravans are the right way to increase the provision of low-cost housing, and I do not think that my hon. Friend the Member for Sittingbourne and Sheppey was advocating that. We would certainly appreciate any planning authority that took the view that the accommodation as it is at the moment would not be suitable for that use. In deciding whether an area should be developed or redeveloped for housing, any planning authority would want to take into account not just the site itself, but, as my hon. Friend said, issues relating to infrastructure, services, flooding and so on. All such matters should be considered by any planning authority when looking at the suitability of a site. They would have an encouragement via the new homes bonus to do so, which would bring them the equivalent of six times the annual council tax for that property as an un-ring-fenced, upfront payment—as a reward or a bonus for increasing their housing stock.

My hon. Friend said that the current planning frameworks make it difficult for applications on surplus holiday sites to succeed. There is definitely good news available in the planning system that we have set out in the Localism Bill. We are taking away the top-down prescription of what can and cannot be done. It will now be the case that if the Isle of Sheppey, or some part of the Isle of Sheppey, decided that it was appropriate for that community to have its own neighbourhood plan, it would be free to develop such a plan and reach such views as it saw fit about how the development should proceed. Although that would have to be within the constraints of the borough local plan, it would not be constrained by huge, thick volumes of national guidance.

My right hon. Friend the Secretary of State for Communities and Local Government made the point to the House when introducing the Localism Bill that the current planning guidance exceeds in number of words the combined works of Shakespeare. That is clearly a ridiculous amount for any planning authority to take account of and it unduly and unreasonably restricts the capacity of local communities to determine their own fate.

I commend the provision of neighbourhood plans in the Localism Bill as a way forward for the island and for all the different communities in my hon. Friend's constituency. Of course they cannot discount the issues of traffic, they must take account of some of the broader strategic issues, and there will still be the national planning framework, which will provide overall guidance in relation to the country as a whole. None the less, local communities will have a far greater capacity to decide what factors are relevant when considering applications and what factors should be discounted. The sixth identifier that my hon. Friend talked about will rapidly become redundant because the neighbourhood plan will have supremacy—if I may use that phraseology. I believe that the changes to the planning process that we are initiating will provide him with the capacity to tell his constituents that the prosperous, regenerated and renewed island that they—and he—want to see can indeed come to pass.

The message that I have delivered for the Isle of Sheppey is, I believe, just as relevant for York, but I have to say to my hon. Friend the Member for Carmarthen West and South Pembrokeshire (Simon Hart) that he will have to have discussions with colleagues in the Welsh Assembly. The powers in the Localism Bill will be made available to the Welsh Assembly through provisions in the Bill, and the Assembly may, if it chooses, adopt them and then adapt them to the circumstances in Wales.

I think that I have addressed all the key points made by my hon. Friend the Member for Sittingbourne and Sheppey, but if he feels that I have not, I will be ready to take an intervention. I hope that it is felt that I have given him a helpful answer, which is what was intended.

Gordon Henderson: I thank the Minister for his full response.

Question put and agreed to.

4.51 pm

Sitting adjourned.

Westminster Hall

Thursday 27 January 2011

[MR PETER BONE *in the Chair*]

Decent Homes

[Relevant documents: Fourth Report from the Communities and Local Government Committee, Session 2009-10, HC 60, and the Government response, Session 2010-11, HC 746.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Goodwill.)*

2.30 pm

Mr Clive Betts (Sheffield South East) (Lab): It is a pleasure to serve under your chairmanship for what I think is the first time, Mr Bone. I will address my comments, as the title of the debate suggests, to the report by the Select Committee on Communities and Local Government in the previous Parliament called "Beyond Decent Homes". The report built on a previous report by the Committee—its proper title at the time was the Select Committee on the Office of the Deputy Prime Minister—back in 2004. That report examined the decent homes programme, which was then in the fairly early stages of development.

Obviously, the report was written at a certain time, but its analysis of what had happened and its conclusions are relevant today. That said, I do accept—it is a pretty obvious fact—that the political and governmental climate has changed since then, and I shall refer at one or two points to circumstances that have changed since then to bring matters up to date.

It will be appropriate to begin by quoting one or two extracts from the conclusion, because it was a Committee report and I want to reflect fairly what the Committee as a whole believed to be important, rather than what I as a member at the time and now Chair believed to be important. The conclusion began by saying:

"By any standards, the Decent Homes programme can be counted as a very significant public policy success. A substantial backlog of repairs and maintenance in social housing existed thirteen years ago and a significant percentage of council rented properties were of unacceptably poor quality: whilst it has yet to be completely eliminated, huge progress has been made, improving the lives of millions of tenants...The main means by which Government can ensure that standards of decency in social housing are maintained in future will be the regulatory framework designed and implemented by the Tenant Services Authority. That framework sets some important national standards but is not over-prescriptive".

That sets the context of a very successful programme. It has not been fully implemented—it is not absolutely complete—but it has improved the lives of millions of people.

The report went on to make comments about future regulation, which are probably redundant now, in the light of changes that the present Government have made with regard to the Tenant Services Authority. However, the report also said:

"We have recommended another important extension to the existing decent homes criteria: the addition of a specific minimum standard for energy efficiency...Setting standards is of course no good, however, unless the means are available to achieve them."

I will try to refer to those issues as I go through my speech. Finally, the report said:

"The decent homes programme in the private sector, meanwhile, has been much less effective."

Again, I will make comments about that.

Let us consider the overall situation. Back in 2001, there was the challenge of a £17 billion backlog of disrepair and neglect in social housing in this country. That is a salient lesson that we must always hold at the forefront of our minds. It is a stark reminder of what can happen if we put off dealing with maintenance projects and maintenance necessities for too long. A backlog of disrepair builds up and must at some point be addressed. The longer we leave it, the worse the problems are and the more money we have to spend on them.

The reality in 2001 was that, of the just over 4 million homes in the social rented sector, nearly half were not up to the decent standard. By 2010, that figure—there are slight variations on it, depending on the calculations that are done—was down to about 10% of the total. It is probably slightly more—perhaps 12%—but it is somewhere in that region. As the Committee's report identified, there were problems with counting. To some extent, counting was done by individual authorities, and they had slightly different methods. Sometimes the definition of a decent home varied from authority to authority. For example, authorities sometimes counted as decent those properties whose tenants had refused to have the work done. The programme passed them by and the property was then counted as decent because no work was immediately able to be done on it. That was clearly nonsense, and I hope that it was eventually corrected.

Another issue that comes up is that the standard may be fixed, but homes can fall in and out of decency. They can come into decency through improvement works, but fall out of decency over time. The age requirements of the decency standard come into effect as a property gets older, and then work is required that was not required a year before. As the programme is postponed and work is put off further, more houses can fall within its scope.

About £40 billion of public money—about £12 billion from Government and about £28 billion from local authorities' own resources—has been spent bringing properties up to a decent standard. If we look at the standards, we can see a number of key factors. Incidentally, I still get great delight from going into the homes of tenants, because in the end these are people's homes. We can talk about thousands of houses and billions of pounds, but to the individual, it is their new bathroom or new kitchen. They have a sense of pride when they open the door and say, "Mr Betts, come and see my new home. Isn't it wonderful?" We get that sense of pride and a dream fulfilled with many people as a result of the works being carried out.

The standards for kitchens and bathrooms have been widely welcomed and well implemented. The repair standards, too, seem to have been well implemented. In the middle of the programme, there was a change from the old fitness standards to the new housing health and safety rating system. That is a bit more complicated and perhaps a bit more difficult to understand. I think that there are problems for private landlords in understanding

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it. It is not as simple as the old system. For social landlords, it should not be as difficult, and I do not think that there has been a real problem with implementing it in the social housing sector. It has been pretty well integrated into the decent homes programme.

When the Select Committee examined the standards in 2004, quite a lot of suggestions were made—such suggestions were made again in our more recent report—about what additional things might be included in the decent homes programme. Noise insulation, particularly in flats, was one. That has never been included, although we can see reasons why it might be. There is always a temptation to go on and on trying to add things to programmes. To have a pretty certain standard from the beginning, in 2001, and continue with it was probably the right thing to do.

Jeremy Corbyn (Islington North) (Lab): Lack of noise insulation is an enormous problem, particularly in London, where there are large numbers of council properties in converted Victorian houses. Often, the conversions were done to a less than acceptable standard, with a total lack of insulation between the properties, and it is very expensive to put in noise insulation at a later stage. Is there any way in which we can ensure that future conversions include a very high standard of noise and energy insulation from the beginning?

Mr Betts: I am sure that there are ways to do that. The Committee concluded that, given that the decent homes programme was running to a certain standard from 2001, it was probably not the right thing to do to try to add things halfway through the process. As the Government said at the time, they were basic standards but there was no reason why authorities should not add to them. Indeed, for kitchens and bathrooms, my city had the Sheffield standard, which went beyond the national standard. Perhaps the other way in which the problem can be tackled—I may be corrected—is through building regulations. Perhaps there could be a legal requirement to deal with the issue, rather than adding something to the decent homes programme at this stage, rather late in the day.

Other issues that we considered were the environment, the appearance of an estate as opposed to an individual home, and communal areas, which have caused difficulties under the programme. By and large, where stock transfers took place, housing associations could raise more private finance and were able to cope with those issues. Where work was done within the authority, through the arm's length management organisations, often, on the environment, they were limited to 5% additional funding in the programme, so all the environmental works and communal area works that were needed were not necessarily tackled. That perhaps needs to be addressed in the future, although in this case it is very difficult to be prescriptive about national standards.

An issue that we considered in some detail in both reports was energy standards. This is not merely a question of comfort for the individual living in their home. It is a question of a national requirement, a public need requirement, because of the need for the country as a whole to meet the climate change challenges of which we are all acutely aware. I shall say a few words about the issue of energy. From the beginning, there was a feeling that the standards in the decent homes programme were set rather low. All right, they are minimum standards and could be added to, but we really need to move on and address those minimum standards.

The previous Government promised, through the household energy management strategy, to deal with that. They promised that, by 2020, 7 million homes that did not have adequate loft or cavity wall insulation would get it. Effectively, there would be a warm homes standard in the social sector that would almost be a decent homes-plus standard. We understand from the current Government's response—it would be helpful if the Minister could say a bit more about this—that those various initiatives have now been subsumed in the idea of the green deal. It is not quite clear at this stage what that will mean for social housing and private sector tenants and owner-occupiers in terms of bringing their homes up to a standard where they can feel comfortable in them and can afford to heat them—bearing in mind the current and future increase in energy costs—and for us as a nation in meeting the challenge of climate change.

When the National Housing Federation did an estimate of what it would need to do to get the emissions in its homes down to 20% of their current levels and to meet the challenge of bringing down emissions by 80% by 2050, it said that it would need to spend £25,000 on average on each housing association property in the country. It is a long-term challenge, and we need some indication from the Government that they have a strategy for national standards and for targets to be hit. I know that the Government do not like targets very much, but we have overall climate change targets. Perhaps we should find a way forward by improving our energy efficiency standards.

When the Committee considered that, we felt that energy efficiency standards were the right way to go. Certainly, fuel poverty is a real problem, but once we try to link the issue of fuel poverty with the standards in a building, real complications emerge. For example, we could get properties moving in and out of an appropriate standard depending on the incomes of the people who live in the property, and that is an issue of which we must be aware.

As for the methods of achievement so far in the decent homes programme, stock transfer clearly dealt with a lot of properties. Tenants voted to move to housing associations because the associations could raise the money on the private markets and deliver the decent homes programmes that were required. Many other tenants resisted the idea of their homes moving out of council ownership. The Government at the time refused to give funding directly to councils for the decent homes programme; that was a matter of contention and I personally did not agree with that policy at the time. None the less, many tenants agreed to go with a transfer of management, but not ownership, to an arm's length management organisation.

Social housing in this country has undergone a revolution. There has been an improvement not only in the management of council housing and the delivery of major programmes, but in the management and delivery performance of housing associations. I know that this is sometimes an uncomfortable point for housing associations

to address, but the report, on page 45, sets out clearly that, when an assessment was done of the overall performance of ALMOs, 75% had a good or excellent rating. For housing associations, the figure was around 35%. As for major works contributions and oversight, 70% of ALMOs got a good or excellent rating and just over 50% of housing associations did so. ALMOs did very well indeed and some of the best ALMOs are clearly some of the best performing housing organisations in the country.

Joan Ruddock (Lewisham, Deptford) (Lab): Lewisham Homes, which is the ALMO in my constituency, received a promise of £153 million from the Labour Government for decent homes work if it could reach the two-star rating. It achieved that rating in July, but now, under the Tory-led Government, that money has been withdrawn and the tenants of Lewisham Homes are extremely angry, frustrated and miserable that they cannot enjoy the same benefits of decent homes that other tenants in Lewisham have.

Mr Betts: I thank my right hon. Friend for her remarks. Clearly, a number of issues are intertwined in that problem. Under the Labour Government's policy, if an ALMO reached two stars or better, it would automatically have access to the funding necessary to bring its homes up to a decent standard. In the comprehensive spending review, the money available for decent homes was cut by about 50%. Authorities that have not completed their programmes are entitled to bid for funding, although if less than 10% of their homes are not decent at present, they are not likely to get any funding. If up to 20% of their homes are deemed not to be decent, they are likely to get only half the funding that they previously might have been entitled to.

As I understand it, as Lewisham Homes has not started its decent homes programme, it will still be entitled to bid for the total amount, but as the total is 50% less than it was, how much it will get is still open to question. Perhaps the Minister will be able to address that issue in his summing up.

To be fair to the Government—this is an interesting matter of debate— they have relaxed the rule that only two-star ALMOs can get funding. That means that the previous situation in which a tenant could be penalised and not have the work done on their home because their landlord was not performing properly will be removed. On the other hand, the requirement to have two stars as a basic to obtain the funding has driven up housing management standards as a whole, and therefore has achieved considerable success.

Kate Hoey (Vauxhall) (Lab): I would not want hon. Members to think that all ALMOs have been wonderful successes. The ALMO in Lambeth, Lambeth Living, which narrowly got voted through by a tiny majority after the council spent £1 million on it, has been pretty much a disaster. The chief executive is leaving this weekend and the deputy left just before Christmas. The tenants in Lambeth are in a ridiculous situation. Their ALMO was going to get a two-star rating. That did not happen, and the tenants are now left with huge amounts of very bad housing with no one wanting to do anything about it. The ALMO, therefore, was not the answer; the answer would have been to put the money directly into the estates that really needed it. Lambeth has some desperately bad estates. They need the money and I am not sure that spending money just on ALMOs made any difference.

Mr Betts: The evidence suggests that it probably did, but successes in general do not mean successes in every particular case. Clearly, there are some bad examples, and my hon. Friend has highlighted one from her constituency. Tenants should be free to choose their landlord, taking into account their own circumstances. If they want to revert back to council management, I see no reason why they cannot do that. The Minister may say a bit more about the funding possibilities. My understanding is that Government are now prepared to put money directly into councils for the decent homes programme. To be even-handed and balanced, I would suggest that to say that there should be funding irrespective of who manages the houses is a helpful move. Where we would disagree is over the amount of funding; there probably is not enough of it. At least Lambeth tenants now have the option to move back, if that is what they want.

Some authorities have seen ALMOs as a method of getting in the money, making the homes decent and then having the properties transferred back to them. In the end, what matters is not what the landlord or councillors think but what the tenants think. The Government's attitude so far is that when an authority wants to bring back the management in-house, it should go through the same process that tenants went through to create the ALMO in the first place. However, I would welcome something a bit stronger. The management of people's homes is almost as important as the ownership, so we should have a ballot to ensure that the proper will of tenants is carried out into practice.

I have Sheffield Homes in my constituency, so I see a different perspective. It is the only ALMO in the country which has had three stars three times running. It has improved the management and maintenance, reduced the costs and got tenants involved. There are still challenges to be faced, such as moving on to a more co-operative style of development in future. Sheffield Homes has been successful; it can be built on for the future and not reversed away from. At the end of the day, however, it is a matter for the tenants. I would like to think that, if there were any possibility of the council changing the management arrangements or the ownership arrangements, it would ballot the tenants, so that it will be the tenants' views that are taken into account; that is what matters at the end of the day.

I have mentioned the reductions in capital funding as a result of the CSR. Work worth some £3.5 billion is still to be done to bring all social housing up to a decent standard, and there will be about £1.6 billion in the programme for the next four years.

In other words, we are probably talking about 10 years before all homes are brought up to a decent standard. The Minister will, of course, say that councils can use their own resources, and indeed Sheffield Homes and Sheffield city council are planning to do just that. The real problem, however, is that if Sheffield Homes and Sheffield city council use all the funding they currently have to bring the remaining homes up to a decent standard by 2013-14, without additional Government

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funding they will still be about 7% of homes short, though by and large those will be properties on which people have not wanted the work done and others that have become non-decent since 2010 because of their age. With every bit of Sheffield city council and Sheffield Homes' capital expenditure being used for that, there will be an end to all heating replacement programmes in other properties that are crying out to have their heating replaced for energy efficiency and other reasons. Therefore, even when other money can be found, it will be at the expense of other important programmes. This is a three-star ALMO that has managed its money very well indeed.

On the decent homes standard, there has been a challenge and, as the report clearly spells out, there is also a challenge for the future. There is no point in bodies getting up to the standard if they then fall away from it. Another thing that we identified was the reform of the housing revenue account. I welcome, in principle, the Government's proposals to reform that account, to give a say and control back to local authorities. The reform will give some certainty for the future, and is based, with one or two changes, on the proposals that the previous Minister for Housing, my right hon. Friend the Member for Wentworth and Dearne (John Healey), introduced under the Labour Government. One of those changes is that councils will now not be allowed to keep 100% of their right-to-buy receipts. There will also be extra borrowing controls, which are slightly worrying in that they will constrain councils' ability to expand their resources to maintain homes to a decent standard. On the other hand, the removal of the need for rents to converge might provide a bit more flexibility in rent increases. I am not talking about the rents necessarily increasing to 80% of market rents, but councils that have put in a new heating system or insulation measures that reduce tenants' heating bills, could put a bit extra on the rent. The tenants would contribute to the cost, but would probably pay less overall under the joint arrangement between landlord and tenant. That bit of flexibility might be welcome.

We have taken expert advice, which has indicated that under the Labour Government's proposals the major repairs allowance in the housing revenue account was due to rise by about 25%. We understand that this Government also propose that, but we have not yet seen the precise figures. To maintain homes at a decent standard, and in particular to keep repairs up to a proper standard and replace the sanitary and kitchen fittings that were included under the decent homes programme but would have worn out, the figures show that a 40% to 60% increase in the major repairs allowance is needed, not the 25% proposed. It is worrying that there is an inbuilt disrepair element in both the previous Government's proposal and that of this Government, and that sufficient funding might not be available to maintain the standards. Any future Government will have to address that challenge.

Other Members want to speak, so I shall conclude with some remarks on the private sector. The private sector was added to the decent homes programme as an afterthought, and it is often forgotten that it exists at all. It was not there at the beginning, in 2001, and adding it in has not been a great success. One fundamental problem was that the new fitness standards in the private sector, which came in in the middle of the programme, immediately added about 10% of private sector homes to the number of non-decent homes. The analysis showed that 3 million private homes with vulnerable households were non-decent when the programme began: 40% were homes with private tenants, and 65% were homes with owner-occupiers who were considered vulnerable because of the benefits they received. Those numbers are staggering. There was no general requirement to get all those homes up to a decent standard—only to do something to improve the numbers. While there probably has been some improvement in numbers, there has not been the same drive and the same co-ordinated programme as there has been with social housing tenants. Other problems come from many owner-occupiers of these homes not being able to afford the necessary repairs. They are potentially asset rich but income poor, and that is a real challenge for them.

Mr Pat McFadden (Wolverhampton South East) (Lab): My hon. Friend rightly draws attention to the fact that there is a housing standards problem in the private sector as well as in the public sector. I wish him to reflect on the situation facing Wolverhampton Homes, which is an ALMO that is a little more than halfway through its decent homes programme. It was expecting, according to the expenditure trajectory, some £100 million over the next two years. It has been estimated that if that were to fall by 40%, 5,000 non-decent homes would be left in the city in the public sector, let alone in the private sector, and there would have to be hundreds of redundancies. What kind of economic or social sense can that make, halfway through a programme in a city with one of the highest unemployment rates in the country?

Mr Betts: To my mind, it makes no sense at all, and it means asking people to remain in non-decent properties for a long time. My right hon. Friend is absolutely right. In many ways it is the tenants who have been waiting the longest for the work who will now have to wait even longer: people at the back of the queue will find the head of the queue disappearing, and that is very worrying. At the rate of spending currently proposed by the Government, it could be 2020 before the backlog is cleared, remembering, of course, that the backlog will be added to because in the meantime more homes will fall into the non-decent category, through age or increasing disrepair. Unless we get increased public spending, the problem will be compounded rather than improved.

Another issue that we need to consider is the very worrying decline in construction activity in the last quarter of last year—the weather might have had a bit to do with it. Cutting back on the decent homes programme, which is more labour intensive than building new homes is, because pro rata more labour than materials goes into refurbishment than into construction, means even more job losses for every £1 million that is cut from the programme.

Jeremy Corbyn: On the private sector, 30% of my constituents live in private rented accommodation. I cannot give the figure for properties that do not meet decent homes standards, but I suspect that it is a considerable number. I expect that many landlords are

loth to do necessary repairs and maintenance, so the condition of the properties rapidly deteriorates. They know that there will be a market out there in the future. Does the Select Committee see any way in which we can bring in better regulation to ensure both fair rents and decent standards in the private sector?

Mr Betts: There are ways, and some of them have been rejected by the Government, but I do not think that the decent homes standard is necessarily one of them because it was not enforceable. That is probably one reason why it did not really succeed. The new fitness standards are an improvement, and are tougher, but the problem is that many authorities do not put the resources into the private sector to ensure that the standards are implemented in a co-ordinated way. There should be a strategy for private housing in every local authority area, but many local authorities do not have one, and co-ordinated enforcement action is rarely taken in many parts of the country.

The Rugg report into the private sector proposed that we should have a register of all private sector landlords, but the Government have said that they are not going to go ahead with that. There were also proposals to have licensing of managing and letting agents, but the Government have said that they are not going to go ahead with that either. The possibility of regulation is, therefore, probably disappearing. The previous Government's proposal for the household energy management strategy, which was going to cover all sectors, has been taken away and replaced by the green deal.

The Government have said that there will be proposals that reasonable tenant requests for energy efficiency improvements should not be refused, and proposals for minimum benchmarks for energy efficiency in properties, but there were caveats about them being subject to the availability of funding. I do not know how far the Government are prepared to go on that but, along with the repair requirements, it is a starting point for putting some basic energy efficiency requirements into private sector homes, which could be done separately.

By and large, we concluded in our report that it would be difficult simply to take decent homes from the social sector and transfer them to the private sector, but under the new homelessness provisions, landlords will be able to discharge their obligations to homeless families by allocating not social housing but a property in the private rented sector. If homeless families can be allocated such properties by local authorities, are the Government prepared to do something about the standards of those properties? They should not allow any council to put a family in a private rented property unless it meets very high standards indeed. Some form of regulation would be another way we could seek to drive up standards.

I have spoken for a while and taken interventions. As I have explained, the report was generally congratulatory as regards the success of the decent homes programme, but we recognised that this is also about individual tenants. For the many thousands who are satisfied, a substantial number are still waiting for work to be carried out, as my hon. Friends have indicated, and they are now likely to have to wait even longer.

There are challenges, and we need to ensure that standards are maintained—it is a question not just of achieving standards, but of maintaining them. In terms of energy efficiency, it is also about doing something to improve standards. There is still a long way to go in the private sector, because the decent homes programme really has not had a major impact there.

To conclude, the Committee said, "We congratulate the Government"—the last Government, I should add—

> "on its achievements so far in the decent homes programme. Notwithstanding the difficulties of the current public sector spending climate and the importance of continuing to make progress towards eliminating the remaining backlog, however, now is the time to build on those achievements, not to sit back on them. The Government needs to look beyond the existing decent homes programme and plan for a future in which social tenants, private tenants and owner-occupiers all have the opportunity of living in a warm, well-maintained and reasonably well-equipped home."

I think that is a reasonable point on which to finish.

3.1 pm

Tom Brake (Carshalton and Wallington) (LD): Thank you very much, Mr Bone, for calling me to speak in this important debate. I congratulate the hon. Member for Sheffield South East (Mr Betts), who opened the debate. He is very knowledgeable on this subject, which he has spoken on for many years, and he is clearly a fount of substantial knowledge.

The hon. Gentleman rightly drew attention to a number of matters, such as the respective performance of ALMOS and housing associations. There is an issue for housing associations regarding their performance. Originally, the idea was that local authorities were not particularly responsive, because they were large and managed large numbers of properties. Therefore, people thought that housing associations should take on local authorities' role as they would be more responsive. Many Members may now feel that many of the problems that were associated with local authorities are associated with housing associations, given their size and the geographic extent of the areas they cover. The hon. Gentleman was right to highlight that. He was also right to highlight the importance of tackling issues in the private sector, where the housing stock is often unacceptable.

Before I focus on what is happening in relation to Sutton and the Sutton Housing Partnership, I want to make one political point. Opposition Members need a reality check, and they should acknowledge that the situation the coalition Government are in is very similar to the one they would have been in had they been elected. It is not, therefore, good enough simply to say that the coalition Government's proposals for reducing budgets are unacceptable; there must be an alternative proposal. The Labour party would have been in the same place and it would have had to work within the same boundaries—they would perhaps not have been exactly the same—as the coalition Government. It would have faced the same challenges, so simply bemoaning the fact that budget reductions have to happen is not good enough. In seeking to position themselves as a future Government, the Opposition owe it to everyone who reads the report of this debate to come forward with some solutions, rather than simply bemoaning the position we are in.

Mr McFadden: It is a matter not just of the total amount of spending, but of the profile of the spending that is being cut. My local ALMO, Wolverhampton

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Homes, fears that the cuts will be front-loaded and that it will be in the ludicrous position of having to lay off hundreds of people when it might be looking to hire more in a couple of years' time. It will not be able to do things in a balanced way. That would not have happened under a Labour Government; we would have supported a programme that is providing important employment in my city, as well as improving the homes for tenants, who, as my hon. Friend the Member for Sheffield South East (Mr Betts) said, have been waiting far too long. Yes, this is a matter of public spending levels, but it is also a matter of the profile of the cuts, which is adding to the difficulties of ALMOs that are trying to carry out the decent homes programme.

Tom Brake: I thank the right hon. Gentleman for that intervention, but he has simply restated the Opposition's stance that the profiling is different. That does not really help to define in what way his party would have tackled the issue if it had been in power. Simply saying that this is to do with profiles does not actually help residents in his area to have some clarity.

The Minister for Housing and Local Government (Grant Shapps): Is my hon. Friend aware that there is no profiling or front-loading in respect of the decent homes funding in this spending period?

Tom Brake: I thank the Minister for that intervention, and the right hon. Gentleman may want to consider that point.

I want now to focus on the position in the London borough of Sutton and to run briefly through some of the history. Sutton's ALMO, the Sutton Housing Partnership, was one of the ALMOs that achieved two-star status only very late in the day under the previous Government. It had achieved one-star status and was on track to achieve two-star status when the previous Prime Minister announced that his Government were going to build 20,000 new homes. As Members may recall, it then emerged that that would be achieved by reallocating funds from ALMOs that were about to receive funding for the decent homes programme. When Sutton Housing Partnership achieved two-star status under the previous Government, it found that it would not get decent homes funding because of the previous Prime Minister's announcement. Let us not say, therefore, that everything that is happening now is wrong, while everything that happened before was acceptable, because it was not. Under the previous Government, some ALMOs did not receive the funding that they had been offered.

Heidi Alexander (Lewisham East) (Lab): A number of London ALMOs were in the same situation as Sutton, including one I know in Redbridge. It is my understanding—I wonder whether the hon. Gentleman accepts this—that certain funds were forthcoming from the previous Government. They may not have been the amounts, or provided as quickly as, the hon. Gentleman would have liked, but funds nevertheless actually made their way to Sutton's ALMO.

Tom Brake: Indeed. I thank the hon. Lady for her intervention, and that was going to be my next sentence. I was going to say that £5 million—a limited amount of funding—was to be made available from April 2010 onwards. However, there was no guarantee about what would happen to the remainder of the £112 million that Sutton Housing Partnership was seeking under the decent homes programme. She is right that limited funding was made available after heavy lobbying, but that was all that was on offer to Sutton Housing Partnership.

I like to think that I am reasonably fair in these debates, and I do not want to give Opposition Members the impression that everything will now proceed apace under the coalition Government. Clearly, we face many of the same funding challenges as the previous Government. Sutton Housing Partnership has had to adjust its bid downwards to £84 million. As the hon. Member for Sheffield South East said, it is a two-star ALMO, and it worked hard with tenants, councillors and Members of Parliament to achieve two-star status. It made the necessary investment, thereby demonstrating that it has the capacity to deliver its programme. It is now bidding with ALMOs that do not have two-star status, and its tenants and I feel uncomfortable about that, given that it put so much effort in over so many years to achieve two-star status.

Joan Ruddock: Obviously, the hon. Gentleman's ALMO and mine are in a similar position. Mine has just put in a bid for £128 million. However, is he aware that, although the national pot of money is £1.6 billion—the Minister may wish to confirm that—London alone needs £2.5 billion? What hope does the hon. Gentleman's ALMO or mine have in the present situation? He is wrong to say that the Labour Government would have done the same thing. We said we wanted to halve the deficit in the period in which the coalition want to clear it.

Tom Brake: I know that the right hon. Lady's Government would apparently have halved the deficit in the same time frame in which we are getting rid of it. That, of course, would have had interesting consequences in relation to the level of interest that the nation would continue to pay in the second Parliament, beyond 2015.

To return to the issue of Sutton Housing Partnership, I agree that our ALMOs are in the same position, which is a difficult one. I hope that the Minister will this afternoon deal with some of the issues that the ALMO faces. First, there is the question of getting everyone together, reforming the ALMO and getting the buy-in of tenants to achieve that two-star status, and then finding that they are competing with everyone else for the available funding. Also important in Sutton is negative subsidy. We have always argued—and I welcome the reform of the housing revenue account—that if Sutton's tenants were allowed simply to have the money that they pay in rents reinvested in the housing stock, there would not be a need for Government funding. With the £10 million of tenants' money that is exported to other parts of the country, if I may put it that way, resulting, as my ALMO would say, in a situation in which the nearly poor subsidise the really poor, and the money that could be borrowed against that revenue stream, the ALMO could address the issues about decent homes with its own resources, without falling back on Government funding. I hope that that will happen and that tenants will be able to benefit—and that they will not be penalised

in a different way, by having to pick up a proportion of the debt, which would mean that even if they kept the revenue they would still not benefit from it.

Sutton Housing Partnership is looking to adjust its programme to try to maximise the chance of getting access to the funding. One specific issue that affects a large number of homes— something like 750—is the box bathrooms on the St. Helier estate. The estate was built in the 1930s and box bathrooms were subsequently built on to the back of the properties. Many are now completely inadequate. They contain asbestos and they are falling away from the properties, so that gaps are developing between the property and the box bathrooms. They are poorly insulated and need to be replaced. In many cases, given that the houses are terraced, they can be replaced only by using a large crane to move the old box bathrooms out over the properties and new ones to the back of them. Sutton Housing Partnership is trying to split off that matter so that it can get access to the decent homes funding for the other works and perhaps find a separate way to fund the box bathrooms.

We would all accept that our housing stock is in need of substantial investment. It is fair to say that all Governments have neglected that in recent decades. We need collectively to find a way to raise the required investment. In 2011 everyone should be able to live in a property of a decent standard. I should like to think that at the end of this Parliament, and the end of the first term of the coalition Government, that will be achievable for us.

3.14 pm

Ann Coffey (Stockport) (Lab): It is a pleasure to serve under your chairmanship, Mr Bone. I welcome the report of the Select Committee on Communities and Local Government, "Beyond Decent Homes", which was published in March 2010 under the chairmanship of Dr Phyllis Starkey.

There is no doubt that the decent homes programme introduced under the Labour Government in 2002 was successful in bringing many improvements to the homes of social tenants. Stockport Homes, my local ALMO, has been one of the trailblazers in delivering the decent homes programme. Indeed, members of the Select Committee visited properties managed by Stockport Homes in my constituency as part of their inquiry. They also held an evidence session in Stockport town hall. Stockport Homes was chosen for a visit because Dr Starkey said it was

"a successful, high performing ALMO pioneering a range of innovative strategies to upgrade their social housing stock".

In my constituency at the time of the 2001 census, which is somewhat out of date, 21% of households were in housing with social landlords. Social housing is therefore an important provision for my constituents. Stockport Homes currently manages 11,478 properties for Stockport council and has now reached the decent homes standard on 100% of its homes. In fact, it has consistently gone further than the basic decent homes standards. It has included showers as a standard bathroom improvement, floor and wall tiling, full redecoration, smoke alarms, double-glazed windows and extra electrical sockets. I visited one of my constituents, Mr Alfred Heathcote from Brinnington, last year after he had his bathroom and kitchen replaced. He was clearly delighted, especially as his wife is disabled, and he showed us the special walk-in shower that had been provided.

Prior to the general election I conducted extensive surveys asking my constituents for their views on the modernisations and improvements carried out to their homes, including bathrooms and kitchens. The overwhelming majority were happy with the improvements. They also welcomed being given a choice of fittings and design. That is a far cry from my days as a councillor in the early '80s as a member of the housing committee on Stockport metropolitan borough council. I well remember a long discussion in one committee about the policy on pot sinks. It appeared that tenants had been deliberately damaging the sinks in order to get modern stainless steel replacements. The council's view was that that bad behaviour should not be rewarded, and damaged sinks should be replaced with pot sinks to discourage such behaviour, albeit at greater expense. Things are very different now from those days.

In its comments to me about the Select Committee's report, Stockport Homes has drawn attention to the importance of improving communal areas. It has done a lot to improve communal areas around its properties, on top of the decent homes standard. The work has included hard and soft landscaping schemes, fencing and seating, installing CCTVs, painting, floor covering and lighting in communal areas and replacing lifts. Those programmes of work, which fell outside the minimum standard, were in response to consultations with local people. I agree with the local people and Stockport Homes that the improvement of the communal areas, whether that is landscaping, car parking, security measures or creating community meeting places around people's homes, is very important in creating a feel-good factor for people about where they live. It is also important, of course, to keep local people and tenants groups engaged, so that the tenants can feel that such improvements are delivered in the agreed time scale and there is good communication between tenants groups and Stockport Homes.

In Stockport we used to have an estate called Gorsey Bank, which failed and has since been bulldozed in spite of an extensive modernisation programme. The reason for the failure was the lack of provision of a supportive environment, such as good landscaping, adequate security and, especially, community space to deliver services to disadvantaged families, as well as local provision to deal with antisocial behaviour. In the 1990s, Lancashire Hill, which is now in my constituency, was extensively modernised and at that time there was a huge improvement for tenants in their living conditions. However, inadequate communal space was provided as part of that modernisation and it is now difficult to provide support to families on the estate for activities that would make a difference to children's lives. The experiences on those two estates underline the importance of communal improvements in any decent homes programme.

I also want to draw the attention of the House to the Stockport Homes family intervention project. *[Interruption.]*

Mr Peter Bone (in the Chair): Order. I am sorry to interrupt the hon. Lady. The danger with electronic devices in the Chamber is that they interfere with the microphones. Perhaps right hon. and hon. Members could make sure they do not have an electronic device too near the microphone.

Ann Coffey: That project is for families with complex needs who risk being evicted for antisocial behaviour or other reasons. Often, a family evicted from one property simply moves to a property in another area, usually taking their problems with them and disturbing another community.

Since the project started, it has had 34 referrals, 15 of which have met the criteria and been taken on. Eight families have signed up to a full contract, a behaviour support agreement signed by the agencies and each family member. The Stockport Homes intervention project works with other agencies to provide families with support such as parenting classes, help finding training or work, drugs and alcohol help, domestic violence help, social care referral and support for teenage parents. The project has successfully closed two contracts after achieving excellent results: reduced antisocial behaviour, better integration into the community, better parenting skills, reduced domestic violence and increased school attendance. For families needing a fresh start away from the area, the project can set up a family intervention tenancy somewhere else. It provides intense support, including daily visits for the first month and strict rules about complying with advice and assistance. The overall results include quieter, safer communities and a new chance for families to thrive in a different area.

I draw the project to the House's attention because it is an example of an innovative approach to housing management that recognises that dealing with the behaviour of a minority of tenants and the consequences for the wider community will be effective only if the underlying causes of that behaviour are addressed. Housing management can never involve merely repairing properties and collecting rent. Achieving decent living standards for tenants and the wider community goes much further.

In its comments on the Select Committee report, Stockport Homes said:

> "Although we acknowledge the conclusion of the report that there was a need to keep the Decent Homes standard narrow, it could be argued that the emphasis on the fabric of the housing stock and internal components is too narrow. The lack of a standard for communal areas, estate improvements and energy efficiency measures could be seen as missed opportunities which now need to be addressed."

I agree totally, and welcome the Minister's comments on the importance of communal areas and energy efficiency measures to the decent homes standard.

I also agree with the Select Committee report about the importance of the green agenda and the call for the decent homes standard for energy efficiency to be updated. The Government's carbon emissions reduction targets mean that the entire UK housing stock must be made more energy efficient. The decent homes standards have an important part to play and should be updated to enable that.

Stockport Homes has been proactive in its green agenda. As a result of substantial investment in energy efficiency measures, the ALMO is in the top 1% of the standard assessment procedure ratings, which calculate the energy performance of individual dwellings. That is especially important for social housing, as most tenants are on low incomes, meaning that their heating bills form a large proportion of their income. They also face increases in their energy bills.

I am sure that we all agree that the decent homes programme has improved the quality of life of many families in this country. I am keen for it to be maintained and strengthened by ongoing funding. People on low incomes have little choice in their housing, so it is important that the homes that they are offered are of a decent standard, have sustainable energy costs and are situated in a decent environment. Sadly, Stockport has a shortage of social housing, particularly family housing; 7,626 people are on the waiting list. It also has a shortage of affordable homes to buy, creating more reliance on privately rented accommodation. Such housing is overwhelmingly provided by landlords who own a few properties. Indeed, in my constituency, some of those properties are former council houses bought under the right to buy scheme and then sold on.

I understand that we do not want to increase costs to private landlords, due to concerns that if regulations make rented property too expensive for landlords to provide at a reasonable profit, such accommodation will dry up. However, there must be a proper balance between decent standards and profits. It cannot be right that, due to a lack of social housing and affordable homes to buy, families should be forced to live in rented homes in the private sector, some of which do not reach decent standards. I welcome the Minister's comments on that.

Where we live is important to us all. Some of us have more choice in deciding than others. It is only right that we should support the efforts of ALMOs such as Stockport Homes to provide the best possible environments for those who have little or no choice in their housing. I look forward to such a commitment from the Minister.

Mr Peter Bone (in the Chair): Before I call the next speaker, it might be helpful for me to tell Members that I will call them in the order in which they notified the Chair that they wish to speak. Members who have not notified the Chair will be called at the end. It is normal practice to notify the Chair in advance.

3.25 pm

Paul Uppal (Wolverhampton South West) (Con): I want to speak primarily from my experiences as a new MP for Wolverhampton. I dare say that some of my sentiments may be echoed by the right hon. Member for Wolverhampton South East (Mr McFadden), who mentioned the Wolverhampton arm's length management organisation that we both know. Right hon. and hon. Members will be pleased to know that I intend to make my speech brief, as I am sure that others have contributions to make.

One of our primary goals as a Government is to move power away from Whitehall, out across the country to individual councils and cities and to the people who know what is best for their own communities. That is why it is so hard to speak about widespread national programmes such as decent homes. Different local factors—local economies, local councils and local needs—always play a part. I cannot comment on the programme as a whole, but I know that Wolverhampton needs decent homes.

The decent homes programme in Wolverhampton is carried out by Wolverhampton Homes, an ALMO doing good work in our community. I have had the opportunity

to meet its representatives and see some of its programmes at first hand. Removing the ALMO's ability to complete the job that it has started would create a great deal of difficulty for Wolverhampton. Not only is Wolverhampton Homes updating houses in need of repair, it is providing jobs in a city with a high unemployment rate. It has also started an apprenticeship programme that has been training more than 60 apprentices a year.

One of the main factors driving me to contribute to this debate is that I have met many of those apprentices and had conversations with them. Since the new year, many young people have told me their personal stories of being involved in apprenticeships. I have been deeply touched by those experiences; they are similar to my own. It is often that first spark that sets somebody on a path by encouraging them and giving them the opportunity to pursue a career. Whatever way they take, that first step is the most difficult and important.

Wolverhampton Homes has also given the tenants whom it is helping a way to be involved with the decisions that will affect them. Several of the tenants of affected homes serve on the board of Wolverhampton Homes.

Wolverhampton has undeniably been through tough times, and it is struggling. We appreciate that that is not specific to Wolverhampton; the country as a whole is facing a financial problem. However, will the Minister think carefully? Having met the apprentices and seen the good work being done by Wolverhampton Homes, I ask him to take time to look at the issue holistically. As a Conservative Government in coalition, we want people to have dignity and pride in their communities and work together to make that happen and make the nation a better place to live. What better place to begin than in their own homes?

3.29 pm

Heidi Alexander (Lewisham East) (Lab): I am pleased to follow the thoughtful speech of the hon. Member for Wolverhampton South West (Paul Uppal). It is probably one of the most thoughtful contributions that I have heard from a Government Member in my time here. I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) on his thoughtful and knowledgeable opening remarks. I have the pleasure of serving under his chairmanship on the Communities and Local Government Committee, and I am pleased to be able to make a contribution to the debate on "Beyond Decent Homes", which was published before I joined the Committee.

I am also pleased to be taking part in today's debate because, precisely eight months ago today, when I spoke for the first time in the House of Commons as the newly elected MP for Lewisham East, I pressed the Government on when we would have the chance to debate the future funding of the decent homes programme. I did not think that it would take eight months to get to this stage, but I hope that it will be worth the wait.

For many of my constituents, having a decent place to call home is still more of an aspiration than a reality. Many people in my constituency—in places such as Catford, Downham, Grove Park and Blackheath—live in homes that do not meet the decent homes standard.

Thanks to the previous Labour Government, thousands of properties in my constituency are in the process of being upgraded by housing associations, such as London and Quadrant, and Affinity Sutton, and thousands more are benefiting from improvement works being carried out by Phoenix, a new community-led housing association.

However, many of my constituents, particularly those who have remained local authority tenants, are still waiting in the hope that, at some point, it will be their turn to see their flats, houses and estates turned into places where they feel proud to live, and where decades of under-investment can be put right. I want to focus on how we can achieve a decent place to live for those who are still waiting, not just in my constituency, but in the borough of Lewisham as a whole and in London more generally.

Having a decent home is something that many of us take for granted. It was rightly the ambition of the previous Government to ensure that everyone had a decent home and that those organisations delivering huge housing investment programmes were fit for purpose—efficient, well-run and well-managed organisations that could cope with the complexities of multi-million pound capital projects.

When I first became a councillor in 2004, Lewisham's housing service, as it was then, could not be described in that way. I represented a ward in which 70% of the population rented their homes from either the council or a housing association, and day in, day out, I came across an attitude that can only be described as, "The computer says no." I sat in evening after evening of tenant and resident association meetings, being told by people that they were ashamed to invite friends round to their flat, not because they did not have a reasonably modern kitchen or bathroom, but because they were embarrassed to ask their friends to walk up eight flights of foul-smelling stairs when the lift had broken down. They were embarrassed by the broken communal doorways, the peeling paint in the corridor, the broken windows and the leaking roof.

Although Lewisham's new ALMO has got to grips with the culture of the old housing services and, indeed, with some of the housing management challenges, I am ashamed to say that some of the conditions on estates in my constituency resemble what I have just described. It is not right that people in the 21st century have to live this way. Sometimes, a new kitchen, a new bathroom or new windows are not going to make the sort of changes that are needed. Heathside and Lethbridge is a '60s estate of nearly 600 properties on the edge of Lewisham town centre, and the only real answer is to knock it down and start again. However, Government cuts to the Homes and Communities Agency budget put the future phases of that redevelopment in doubt. The council has been working hard with its development partner to get the regeneration programme started, and the new Government must step up to the plate and find the funds to ensure that future phases can be built out. If they do not, they will condemn hundreds of residents to a life in completely substandard accommodation. The situation is the same with Milford Towers and Excalibur, which are smaller estates in my constituency, but whose needs are no less pressing or complicated.

Although regeneration funding is incredibly important for many areas of Lewisham, so too is the amount of money that the Government will make available to local authority landlords to carry out decent homes works.

[Heidi Alexander]

That was an issue that my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) raised earlier, and it is the issue to which I will now turn.

I have already touched on the transformation that has taken place in our local ALMO. It has been a long, hard slog for the board, and I pay tribute to the resident chair, Julia Cotton, and the chief executive, Andrew Potter, for bringing about that change. However, as a result of the Government's announcement in the comprehensive spending review, Lewisham Homes finds itself facing increasing uncertainty about the amount of money that it will receive to carry out desperately needed works. Of the ALMO's 13,000 tenanted homes, 7,300 do not meet the decency standard.

In March 2010, the previous Government indicated that £154 million would be made available to Lewisham Homes to carry out the decent homes programme if it met the two-star rating, which, I should say, it achieved last summer. However, last October, as part of the CSR, this Government insisted that local authority landlords would have to fund 10% of all outstanding improvement works themselves. Lewisham's bid has therefore been reduced to £126 million, to be spread over four years from April this year. Like many other ALMOs and local authorities throughout the country, we are waiting to hear the outcome of our bid.

My biggest fear—my right hon. Friend touched upon this—is that Lewisham Homes will not get anywhere near the amount of money that it needs. In the CSR, the Government announced £1.6 billion to meet the outstanding decent homes requirements of local authority landlords. London local authorities alone estimate that their outstanding investment need is £2.5 billion. London has 46% of the 150,000 homes identified by the Government last year as eligible for that funding. Therefore, even if London gets 46% of the overall sum, £736 million is a long way off £2.5 billion. I must therefore question whether Lewisham will get £126 million of that money.

Lewisham Homes has also received scant recognition for its work in achieving a two-star rating from the Audit Commission. As the hon. Member for Carshalton and Wallington (Tom Brake) has said, the Government's current approach does not seem to take account of all the hard work put in by ALMOs that have achieved the two-star status. I think that that says to those people, "Tough luck—you're now lumped back into the mix, just like everyone else."

Nicky Morgan (Loughborough) (Con): I understand what the hon. Lady is saying about the two-star rating and, listening to this debate, I can see both sides of the argument on the two stars. However, I represent part of the borough of Charnwood, in which Charnwood Neighbourhood Housing is the ALMO. It has struggled for a long time to get to its two-star rating. Under the previous Labour-controlled local administration, it had no stars. We are now up to one star, and are trying very hard to get to two. The difficulty with the hon. Lady's argument is that the tenants, through no fault of their own—the problems with management are not their fault—have lost out on any investment over the past 13 years in relation to decent homes. Now they are in round six and still face receiving less money. Does she appreciate that point?

Heidi Alexander: I do appreciate the hon. Lady's well-made point. The ability of organisations to deliver complex capital projects is an issue. Although the assessment process for two stars may not be perfect and although the hon. Lady's ALMO may be completely capable of delivering such a programme, we have to be careful about where money goes. I appreciate that times are difficult for her tenants and that she would like to see investment in their homes as much as I would like to see it in those of my constituents.

Kate Hoey: On the question of cost and complex projects, one of the things that residents on many of our estates continually comment upon when they see the capital projects is the number of hugely expensive consultants that seem to be employed on ridiculous salaries. On the cost of doing some of these quite small projects on small estates, does my hon. Friend think that the new coalition Government should look at new ways of getting the money to get the windows on an estate done in a way that does not involve these grotesque salaries that seem to go to everyone?

Heidi Alexander: I completely share my hon. Friend's concerns about that and I press the Government to look at new ways of making sure that public money is used in the best way possible. My experience on Lewisham council—indeed, I was also a member of the Lewisham Homes board for a year—showed me that the right skills need to be in place to make sure that programmes are delivered effectively and efficiently. I am not saying that things cannot change in that respect and that money cannot be saved, but clearly people need to have the right clienting skills to get the most out of the contract.

Jeremy Corbyn: I understand the point that my hon. Friend is making, and I pay tribute to those ALMOs and councils that are well run, deliver good programmes, have got their two-star rating and are obviously improving things. The point made by the hon. Member for Loughborough (Nicky Morgan) is, nevertheless, important: by restricting ourselves to investing where there is a two-star rating, we are actually punishing the tenants and the residents. There needs to be some thought about how one can still deliver a programme either by some other means or by forcing the authorities to be more efficiently run and so on. I am not advocating throwing money away or bad management; I am advocating recognising that our duty as public servants is to the tenants and to the residents. We need to ensure that public money is invested in them and think carefully about the matter.

Heidi Alexander: My hon. Friend makes some good points, and I am sure that he will appreciate my role as a representative of Lewisham. I know what effort has been put in by my local residents, by the members of the board and by the staff who have worked incredibly hard. They feel very disappointed by the fact that although they have put in a huge amount of effort, that will not necessarily give them a greater chance of accessing funds.

If I can move on, I shall say something about the particular situation that we face in London. In the capital, we have the potential problem of higher unit costs—by that, I mean that it would perhaps cost more

to bring an individual property up to standard in London than it would elsewhere in the country. That is because of the cost of construction labour in the capital and the fact that a number of homes are of a non-standard construction type. Anyone who looks at the skyline in London will see a large number of high-rises. Such buildings can cost a lot of money to bring up to the decent homes standard. I am hoping that the Minister appreciates those regional subtleties and that he will give me some assurance that such issues will be taken into account when the applications are considered.

Before I finish, I shall touch on the importance of the proposed reform of the housing revenue account annual subsidy system. The way in which historic debt is allocated to local authorities is very important and must be addressed as part of the reform. The ability of ALMOs and councils to meet the decent homes standard and to continue to meet those standards as some homes fall out of decency—as mentioned earlier—will be determined by how we allocate that debt and resolve the issue of HRA reform. I do not claim to be an expert on the matter and I can only begin to imagine how incredibly complex it must be to try to reform it but, for areas such as mine that have significant investment needs and a large amount of housing stock, it is too important to get wrong.

I could say much more on the matter—not least about standards in the private rented sector, which now accounts for a third of all households, as it does in the constituency of my hon. Friend the Member for Islington North (Jeremy Corbyn)—but I am conscious of the time and the fact that other hon. Members want to speak. In conclusion, I urge Ministers to reconsider the amount of money that has been allocated to the future programme. I ask them not to forget the importance of comprehensive estate regeneration schemes—new kitchens and bathrooms are all well and good, but sometimes the problems of an area cannot be solved by such things alone. Finally, in moving beyond decent homes, my plea is this: do not walk on by areas such as mine, where significant need so blatantly exists and where investment can really change people's lives.

3.44 pm

Jeremy Corbyn (Islington North) (Lab): I thank the Select Committee for the report and pay tribute to Dr Phyllis Starkey, who unfortunately is no longer a Member of the House, for the work she put into chairing the Select Committee in the last Parliament, the quality of the report and the information in it.

Hon. Members will have heard what I said about the way in which the decent homes standard was brought in under conditionality of local authorities. We need to think about that process a bit more for the future because it seems grossly unfair that those authorities, such as Camden, that did not agree to establishing an ALMO or to stop transfers were punished as a result, with the necessary resources coming in much later. I absolutely endorse what my hon. Friend the Member for Lewisham East (Heidi Alexander) has said about how Lewisham appears to have been punished because it essentially achieved the right stars on the wrong date. The process is as arbitrary as that. The issue of the date and so on does not make a blind bit of difference. The reality is that somebody living in Islington in a two-bedroom high-rise flat will have achieved decent homes standard, but somebody living in the equivalent in Lewisham probably will not have done. Why not? It is simply unfair. The Labour Government put the money in for both those tenants to achieve the necessary standard. We need to think about that.

Having said that, the Government should think carefully about the long-term implications of the comprehensive spending review, the cuts that have been imposed and the problems that that will build up for future. I was a councillor in Haringey before I became a Member of Parliament. During the 1980s, we started the process of a post-1948 programme and improved properties considerably in both Haringey and Islington, where I became the MP. Gradually, central Government money dried up, and the repairs and capital improvements budgets were cut back and back. We reached a situation where the only repairs being done were in cases where the tenant threatened legal action or took the council to court to require repairs to be done. It was essentially a solicitor's process. If someone could convince a court or a solicitor somewhere that their case was strong enough, the repairs would be done. It was a ludicrous way of doing things. By the mid-1990s, the repair backlog was absolutely massive, as my hon. Friend the Member for Sheffield South East (Mr Betts) pointed out in introducing the report.

The decent homes standard is, by and large, a very big success story in that it has meant that millions of people have now got decent kitchens and bathrooms, roofs that do not leak, new windows that are energy efficient and often new heating systems and many other things. Again, on the point that my hon. Friend the Member for Lewisham East made, the specific inclusion of communal areas and common parts in the decent homes standard programme has meant that whole estates have improved a great deal. The Andover estate in my constituency was not terribly well designed in the first place—as, indeed, many estates all around the country were not—but with intelligence and sympathetic ideas and investment in the common areas, that estate is now far better than it ever was. It has a decent open square area in the middle, better play facilities and good quality security. In return, levels of vandalism and socially divisive issues are much reduced. Investment does pay off.

If a huge backlog of repairs will be building up during the next five years or so, I dread to think what that will do to the self-perception of people living in those areas or, indeed, to the condition of the flats they are living in. Cutting housing repairs and housing capital improvement budgets is a self-defeating prospect. At the lowest level, if one does not clean out the gutters, eventually the roof gets rotten, starts to leak and so it goes on. Money spent on maintenance and repairs is money well spent.

I obviously represent an inner urban area. The make-up of my constituency is the mirror opposite to that of most of the rest of the country—the same would apply to the constituency of my hon. Friend the Member for Lewisham East—in that about 40% of the stock is council or housing association, about 30% is private rented and about 30% is owner-occupied. The fastest fall is in owner occupations and the fastest rise is in private rented. Within the private rented sector, there are the most incredible levels of demand.

[Jeremy Corbyn]

There are also issues with leaseholders, from both housing associations and local authorities—I take the point that my hon. Friend the Member for Vauxhall (Kate Hoey) was making—who sometimes feel quite justified in their grievance that the amount of money spent on capital works on a block seems wholly disproportionate to the benefit achieved from it. I never expected to become such an expert on the cost of renting cherry pickers, scaffolding and skips, and on the cost of sink units, windows and all that kind of thing. I do not mind that I am; I am quite happy to develop a knowledge and expertise in that area, but an awful lot of leaseholders have an incredibly close knowledge of such matters and they feel that they are being ripped off. There are all kinds of appeal procedures that cost everyone a great deal of money. Sometimes there needs to be much tighter monitoring of these contracts to ensure that everyone is getting value for money—both the tenants who will not necessarily be intimately aware of the intricate costs and the leaseholders who clearly are aware of the costs because they have a direct interest in them.

Tom Brake: I draw the hon. Gentleman's attention to the fact that there are many organisations that contract in that way and that should be put under a degree of scrutiny. For example, the Peabody Trust is in a protracted argument with the residents of BedZED, which it manages. The residents, who are a mix of owners, social tenants and part-rent, part-buy tenants and key workers, have obtained a quote for redecorating the residential block that is a fraction of the amount that Peabody is proposing to pay its contractors, which it will of course pass on to its residents.

Jeremy Corbyn: That sounds like a depressingly familiar story. Indeed I have had similar relationships with a number of housing associations, including the Peabody Trust, in my own area. There needs to be a Select Committee investigation into the governance, accountability and democracy of housing associations. That would be a very good area to discuss. Having said that, I pay tribute to Islington council for setting up a well-run ALMO and for its attempts to co-ordinate the work of housing associations, the council, building programmes and the community to ensure that we get family-sized housing, which is in the greatest demand.

We also need to consider the standards of management and, where possible, amalgamate the management of housing associations and the council in particular areas. There can be six or eight housing associations operating on one estate, which is not a sensible way in which to run things. Tenants will have six or eight caretakers, six or eight managers and six or eight cleaning contracts. How about just having one? Clearly, there is a need for us to investigate that area as well.

I also want to thank the people who work in housing in my own borough—the caretakers, the cleaners, the repair people and so on. They are not often thanked; they are usually criticised and blamed. The majority of people who work in the public sector do so because they want to. They want to do a good job and to co-ordinate well with the tenants and the local communities. I want to praise them for what they do and the way in which they try to respond to people's needs.

The Select Committee report says quite a lot about the private rented sector. The history of that sector in this country is a particularly chequered one. The Labour Governments of the '60s and '70s sought registration, rent control and a degree of national standards in the private rented sector. The tenor of the Conservative Government of 1979 was against any kind of intervention in anything. The results included a property boom, privatisation, the sale of a lot of council properties and landlords' freedom to charge whatever they wished. Now, in order to adhere to national law on housing homeless families, local authorities have absolutely no choice but to place those families in the private rented sector. They have a legal obligation to house people. No London council still puts people in bed and breakfasts—as far as I know, anyway. Instead, they put them in the private rented sector, which is expensive, often inadequate and sometimes nowhere near the community from which those families come. The bill is usually paid by housing benefit.

The Government's solution is to cap housing benefit, which will mean in turn the removal of large numbers of people from central London. That is not a solution. The solution must be to support housing benefit, but it must also involve considering the impact and costs of the private rented sector on our society. Paragraph 162 of the report points out how many private rented properties the UK had in 2007. The number has increased a great deal since then, and I observe that it is increasing even faster at present.

Paragraph 173 is interesting. The Committee took evidence from Professor Tony Crook, professor of housing studies at the university of Sheffield, who discussed the influx of small-scale landlords, the number of buy-to-let mortgages that were granted and the resulting boom in the private rented sector. Shelter wants good-quality conditions in the private sector and is chary of introducing rent controls, as it thinks that that might reduce the number of places available.

I can see Shelter's point, but it seems to me that we in this country have built in an enormous problem for ourselves. People in my constituency who live in the private rented sector, unless they receive housing benefit, spend the highest proportion of their disposable income on housing—far more than any mortgage payer or social tenant—for the worst conditions and, generally speaking, the worst services and repair levels. The issue is not going to go away, and if my constituency is anything to go by, private tenants will increasingly start to come together and be much more vocal about it.

I support close examination and inspection and the use of building control and legal proceedings to ensure decent homes, decent repairs and decent quality, but we cannot escape considering rent levels in the private sector. It is done to some extent in the United States and to a great extent in Germany and many European countries. I do not see why we should not start considering a similar process in this country. With the best will in the world, even if a Labour Government were spending billions of pounds of capital investment on new housing at present, there would still be a housing problem in five or 10 years' time, particularly in London. It is an issue whose time has more than come, and a serious examination of it is needed. I hope that the Select Committee is prepared to undertake it.

The Shelter document that I obtained in advance of today's debate made this point:

"More than £4 billion of taxpayers' money is spent annually on housing benefit for private renters and this is set to rise to nearly £6.7 billion by 2010/11."

We do not yet know what the effect of the cap will be, but that is what we are paying at present. It goes on to make a good point:

"The sector doesn't function well enough. Too many tenants live in terrible conditions...Too many responsible landlords and professional property managers are undercut in the market by slum landlords".

I understand that point. There are good landlords out there who try to manage things properly, charge reasonable rents and be reasonable people, but then a cut-throat arrives next door and undercuts them or gets rid of them by other means. It is not a nice business in some areas. Shelter says:

"Too many landlords are confused about, or are unaware of, what their obligations are."

Taxpayers lose a great deal of money every year as a result, so tackling rogue landlords is very important and another issue to which I hope that the Government and the Select Committee will pay attention.

In areas such as mine, housing is the absolute, No. 1, top-of-the-list, key issue. If someone is a council tenant, they have security of tenure—unless the Government's new proposals under the Localism Bill come in and that security of tenure is under threat.

Grant Shapps: Is the hon. Gentleman aware that there is no proposal whatever to remove security of tenure from any existing tenant?

Jeremy Corbyn: That was a very good use of words by the Minister, and I compliment him on it—Sir Humphrey would be proud. But, for new tenants, there is a proposal whereby it will be permissible for local authorities to limit the term of tenure or to review it. Given the divisive nature of the plan, if we take that five, 10, 15 or 20 years down the road, the public sector will mirror the private sector as it is today. A tiny proportion of private sector tenants have the 1960s and 1970s rent protection—there are just a few left. I want security of tenure for all council and all housing association tenants, with no time limit placed on it.

The need for investment in good-quality housing could never be greater. Children growing up in overcrowded accommodation under-achieve in school and suffer more illness. Families break up. It costs us all a lot of money. There are an awful lot of broken lives and broken ambitions because of people living in poor-quality, overcrowded accommodation, some of which is in the public sector. People living in private rented accommodation may be forced to move every few months because the landlord decides that they can get more money from someone else, or decides to sell the property and move on, or whatever else. People have to cope with disruption to schooling and endless moves around the place. A tenant on housing benefit in the private rented sector has no negotiating power vis-à-vis a private sector landlord.

It is up to us and the public sector as a whole to ensure protection, regulation and security, so that children know where they are going to stay, families know where they are going to stay and the communities benefit from that as a whole. My ambition is to see far more council housing built, purchased and managed, with the good quality that is possible within it, and to see a degree of regulation in the private sector that will give people the security of tenure that is so desperately needed. Otherwise, we are just failing in our duty.

I compliment the Select Committee on the report that it produced and the debate that it has encouraged today. I urge it to do further investigation work, particularly on the role of the private sector in housing supply in this country.

Mr Peter Bone (in the Chair): Order. Before I call the next speaker, it might be helpful for hon. Members to know that I intend to start the winding-up speeches at 5 o'clock. It is just after 4 o'clock now and there are four speakers to go. I call Nicky Morgan.

4.3 pm

Nicky Morgan (Loughborough) (Con): Thank you for allowing me to make a contribution, Mr Bone. My maths is not great, but I have just worked out how long I have to speak, and I assure hon. Members that I will not take up all that time. I want to speak briefly about Charnwood Neighbourhood Housing, which is the ALMO in my part of the borough—my Loughborough constituency is part of the borough of Charnwood.

I entirely agree with the comments of the hon. Member for Islington North (Jeremy Corbyn) about the work done by the staff in these organisations. I recognised the "Computer says no" attitude, which sometimes prevails when I ask for help with a query, but overall the housing staff at Charnwood borough council offices and at Charnwood Neighbourhood Housing have always been helpful and responsive in doing whatever they can to assist tenants and respond to my queries, which I have raised both before and since my election to the House.

Charnwood borough council has a retained housing stock of just under 6,000 units. The council bid for funding in round 6 of the ALMO programme and was awarded a minimum of £36 million to invest in stock improvements, subject to receiving a two-star rating from the Audit Commission. At the last inspection in February 2010, Charnwood achieved a one-star rating—previously it was a zero-star organisation—with uncertain prospects for improvement, despite an awful lot of work having been done. Clearly, something was not working and the management was not as it should have been. It has carried on working hard on the improvement programme, and a new chief executive is in place. I have met her, and she is working extremely hard.

I have heard both sides of the debate this afternoon, and I am sure that lots of lessons can be learned from organisations that have two stars. I entirely agree with the Minister's statement in November, in which he said that where organisations do not have a two-star rating, it is the tenants who lose out, because although they have little control over the star rating of their landlord, their not getting decent homes is a result of that. The two-star rating is not in itself a guarantee of ability to run a capital programme or to offer good value for money. There are no easy answers, but what I hear from both sides of the Chamber this afternoon is that we all believe in the importance of housing, in terms of what it means for quality of life, and that, if at all possible,

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people cannot be allowed to continue to live in non-decent houses. In April last year, 34.7% of Charnwood's stock was non-decent and, as has already been said, the longer the debate goes on the more housing slips back into non-decency.

The report is extremely valuable. I want to bring to the Minister's attention two issues that were raised with me by my ALMO. These issues have not been mentioned so far, although I might be wrong and not have been concentrating properly. Additional investment might be required in particular types of stock. For example, Charnwood has non-traditional, precast reinforced concrete housing, which requires greater investment levels, and a large number of sheltered housing schemes which are no longer fit for purpose but which house some of our most vulnerable tenants.

Charnwood is also a rural community. Having been a candidate in Islington South and Finsbury back in the 2001 general election, I know the problems of London, although I now represent a semi-rural constituency. We have a growing elderly population and demand for adaptations is consistently high. That might not fall within decent homes funding, but it still needs to be paid for, particularly if we are asking people to live in their houses for longer and to remain independent for as long as possible. As has been said, funding does not appear to be available for state upgrades or environmental improvements, which would create opportunities for designing out crime and supporting reductions in antisocial behaviour.

In the borough council and the ALMO's joint response to the backlog funding proposals, the spending review and the difficulty with public finances are noted, and both chief executives say that they

"will respond positively to any changes that are thought necessary by central government to assist in the recovery of the economy."

They say that they appreciate the impact that less money being available will have on local authorities, but they want to rise to the challenge in a "constructive and creative way", and I pay tribute to them for that entrepreneurial spirit. The chief executives believe that they can still deliver a decent homes investment programme that achieves value for money.

We have all discussed the importance of decent homes and of funding, and we need money to improve the quality of life for tenants across the borough of Charnwood and to assist the Government in delivering their strategic and financial objectives in doing that. I welcome the Government's commitment to funding and to addressing the backlog of homes that have not yet reached the decent standard and those organisations that have not reached two-star status yet. I understand that it is important that we end up with organisations that have sustainable, self-financing business plans. I shall make the same point in my conclusion as I made in my intervention: because of having to wait for two-star status, my ALMO has not been able to submit a bid. We are now in round 6, and less money is available due to the state of the economy and public finances that we were left. I know that the ALMO would appreciate a decision sooner rather than later, so that it can get on with raising standards for tenants in the borough of Charnwood. I look forward to hearing the Minister's response.

4.10 pm

Kate Hoey (Vauxhall) (Lab): It is a pleasure to follow the hon. Member for Loughborough (Nicky Morgan). This debate has demonstrated how much every speaker cares about housing in their own area and on how much we agree, although we will always disagree about how much money is spent by whichever Government are in power. Many Labour Members were cross during the first four years of the Labour Government, way back in 1997, when we felt that housing was being given the least priority. That changed, but if we had given housing a great deal more priority from day one, we would be in a much better position today.

I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts), who introduced this debate, on his commitment to housing over a long period. He has always ensured that the matter is raised in Parliament. I say to the Minister that his job is probably one of the most difficult in the Government, because housing affects every MP from the inner city to rural areas, as my hon. Friend the Member for Islington North (Jeremy Corbyn) has said. It is the most important issue that I encounter at my constituency surgeries. For many of us, it is there all the time, and we get more and more frustrated and depressed, because we know that we can do little to help people who are desperately overcrowded and want to move or who are homeless.

On cost, there is no point arguing about how another Government would have spent more or done things differently. Undoubtedly, cuts would have had to come. We all want to support the Minister in arguing his case with the Treasury in terms of the cost-benefit analysis of spending and investment in housing. My hon. Friend the Member for Islington North has discussed the cost of people living in bad housing. The cost to our national health service of the people affected by bad housing conditions and overcrowding is huge, as it is more likely that they will need treatment, which costs money. Although we have our differences in terms of specific party politics, we must do everything that we can collectively to say to Governments of all parties that investment in housing saves money in the long term.

I will make one or two quick points. The reason why I did not put in my name, Mr Bone, is that I was not sure how long the introduction to a new report on a ban on Heathrow night flights would take. It did not take as long as I thought it would, so I am able to be here.

Many of the Adjournment debates that I have secured concerned housing in Lambeth. Lambeth is one of those boroughs in which politics change, council leadership changes and coalitions form—we have had it all during my time as a Member of Parliament—but one thing that does not seem to change is the culture and how it is run, particularly in terms of housing. I opposed the ALMO in Lambeth, as I thought that it would end up simply as a change of function from the local authority, and that the same kind of people would run the ALMO. I have been proved more or less right. The ALMO was approved by a tiny majority—3,518 to 3,362—so I appreciate that it did not start with a mountain of support. Some good people have been involved, and some have worked hard.

I add my thanks to the people at the bottom of the structure—those who do the cleaning on the estates, particularly those who are in-house. Despite all the

changes at the top, in which they never seem to be involved, and despite all the factors against them, they try to deliver good services, where they can. They are at the sharp end where the cuts will come, which will not affect the people on £250,000 a year—the directors and assistant directors of when we seem to have so many, who get huge amounts of money that never seems to be cut. I would love the Select Committee to investigate the costs of how we deliver services. Any tenant or resident leader who has been involved in their tenants or residents association for a long time could simply come in and say how much things could be changed and made different.

We did not get a two-star rating in my constituency. When the ALMO was set up, most people moved to it. We got a few changes, but we are no nearer to getting a two-star rating now than we were when we started. The tenants and I have always said, "What happens when there is a change of Government? Is there a plan B? Will ALMOs still be supported? Will a two-star rating mean anything?" I am quite pleased that we have got rid of this whole two-star thing, because in the end, it is not the tenants' fault that the ALMO does not have a two-star rating. The tenants worked so hard to make it happen. Now we are in a situation in which we do not have a two-star rating, and we have a huge number of homes that are not up to the decent homes standard. We have put in a bid for £217 million, but we are unlikely to get it, and we should be coming to the Minister now with our priorities.

One or two estates are real priorities. I could take hon. Members to an estate, which is a 10-minute walk from the House of Commons, where the windows are falling out, which is something that people have been living with for a long time. I cannot understand why we do not have a system where we look at the estate and assess how much it would cost to get the windows in. We will spend more money—just like we spent more than £1 million on getting an ALMO—on preparing the costs and the analyses, and companies will come back time after time. It is usually the same old companies that get the jobs anyway. All those people go around tendering against one another and operating cosy little cartels. It often ends up with someone getting a lot of money, and sometimes the standard of the work is not adequate.

Decent homes standards cover more than just the home itself. Some of my older residents do not want a new kitchen and like their sinks or whatever. In fact, some of the sinks that were taken out were sold to rich people who wanted to install an old-fashioned sink. A decent homes standard is different for everybody.

It upsets me that we have many empty flats and homes in Lambeth. When a tenant moves out or dies, their home is empty. Suddenly, that home cannot be let, because it is not up to decent homes standards, even though someone was living there two or three weeks ago, which is absolutely ridiculous. We should be able to allow people with a bit of nous who are on the housing waiting list to go in and do their work, like the old Greater London Council used to do. As long as the electrics and the health and safety are right, I do not see why anyone should not be allowed to go in and take the flat. Instead, we have flats sitting empty for months and even years. Then the council says, "We had better sell them off now because we cannot afford to make them good." It is absolutely scandalous, and I hope that the Minister will say that he will encourage such a route.

Mr Betts: Where councils let a property which is not decent and the tenant moves in, there is a guarantee that once they have been in for a short period of time, it will be brought up to a decent standard, which is a condition of the letting being accepted. In such a case, the money might be taken away and the council might not honour its promise, which would be a real problem for a tenant who had moved in under such circumstances.

Kate Hoey: I want to go further. If a person is handy and can do a bit of plumbing, why can we not let them move in and fix things up themselves? For the first six months, they could live rent-free or pay a reduced rent, which is what the GLC used to do. If the flats are used, more rent comes into the borough thereby giving councils more money. If we leave the homes empty, no one is paying rent. I feel strongly about that.

Finally, housing associations have become more and more like the old style, one-size-fits-all council, which we have tried to get away from. I was very supportive of the tenants who wanted Hyde Housing to take over a great deal of the housing stock in Stockwell, but we have recently experienced the most appalling problems with that organisation. When it finally realised that things were going wrong, representatives came down and were responsive to the tenants. The chief executive has now gone, which may be why things have changed.

Jeremy Corbyn: Does my hon. Friend not think that there is an issue surrounding the governance, accountability and democracy of housing associations? They started out as smallish local, social organisations, but they have become very large housing companies that often seem more interested in private development than in their primary function.

Kate Hoey: I agree. There have been so many mergers that I give up on the names and what they call themselves now. They have definitely moved away from being small and really local—they try to close their local housing offices as soon as possible once they have taken over.

On my hon. Friend's point about leaseholder charges, some people have been ripped off for years by housing associations. In the case of Hyde Housing, it was only because a group of residents got together and spent hours and hours looking at the issue in detail in order to prove their case that it accepted that case, apologised and will pay the money back. In my area, the most success, in terms of the management and the residents' enjoyment of it, has come from successful, small TMOs. They have really worked. They have been given the power and more control. One of them, Holland Rise and Whitebeam Close, has taken over the concierge system and is running it brilliantly. The staff like being there now—they feel that they are involved in the estate and know the residents. In the past, Lambeth council ran the concierge system for all the blocks, and the TMO had to put up with its management and style.

I will probably get into trouble with my councillors for what I have said, but some good things are happening in Lambeth. The issue is about investment and money, but it is also about more than that. I support the

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Government's proposed changes in relation to rents and councils being able to control that money. However, we must make sure that there is a mechanism that ensures that that money is spent properly. Local is best, but local councils do not always do the right thing with the money.

4.22 pm

Lilian Greenwood (Nottingham South) (Lab): I apologise, Mr Bone, for not writing to you beforehand to indicate that I wished to speak in today's debate.

The Communities and Local Government Committee's report begins its key conclusions with the statement:

"The decent homes programme has had a dramatic, positive effect on the living conditions of almost all social housing tenants by putting very significant resources into tangible improvements to social housing."

There is no doubt that the Committee's report is comprehensive and far-reaching, and I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) on his chairmanship of the Committee. I am unsure, however, that such an analysis can ever adequately express the importance and impact that such schemes have on local communities and local people. That is why I would like to share Nottingham's experience of the decent homes programme as implemented by our ALMO, Nottingham City Homes. I also want to take this opportunity to raise concerns about the future, particularly since funding for the completion of the programme has been cut by 40%. We in Nottingham are only part way through the scheduled works to bring all council housing up to the required standard.

In Nottingham, the Government have decided to withdraw £200 million of funding for a major private finance initiative project for the regeneration of the Meadows neighbourhood in my constituency. As a result, council homes that would have been demolished and rebuilt or substantially improved under the PFI scheme, and that were therefore not included in the city's decent homes programme, are now in need of substantial improvements to bring them up to standard.

Nottingham's decent homes programme is known locally as Secure Warm Modern, which reflects the priorities set by tenants, for whom security was and is a key concern. Nottingham City Homes had to work very hard to reach the two-star rating required to access capital funding and, having done so, expected to bring all its housing up to and beyond the national standard by 2013. I was interested in the comments of a number of hon. Members on the two-star rating and, while I agree that tenants should not be penalised for the failings of the management company, I think it would be hard on an ALMO that has worked very hard to reach that standard to be penalised.

The programme is mid-way through and in a period of intense activity. I understand from Nottingham City Homes that a new window or door is fitted every two minutes, a new heating system is installed every 20 minutes, and an internal package—a kitchen, bathroom or both—is completed every 20 minutes. By April 2011, Nottingham City Homes will have upgraded windows in 13,700 properties, replaced 3,300 doors, upgraded 10,600 heating systems, and replaced 7,300 kitchens and 6,000 bathrooms. That is a total investment of £74 million.

In carrying out that work, our ALMO is already achieving good value for money and efficiency savings. For example, £7 million of savings were achieved by using innovative e-auction tenders and £8.4 million was saved by adopting a streaming rather than a whole house approach—in other words, a specialist contractor completes all the windows required on a street-by-street basis and then a separate contractor undertakes work on boilers, insulation and so on. Although that might seem to be disruptive to tenants, it has been a much more popular and efficient way of doing things.

Tenants tell me that they feel safer, warmer and, indeed, happier as a result of the works undertaken and investment in their homes. They often mention the reduction in damp and condensation, the benefit of having lower heating bills and, importantly, the feeling of pride they have in the improved look of not just their home, but the neighbourhood. In going out to talk to tenants, I also talk to the people who live next door who are owner-occupiers or other social tenants. They say the same thing: they really appreciate the difference that the decent homes programme has made to our city.

The view that the decent homes programme has had benefits is based not only on tenants' comments—vital though those are—but on hard evidence. Nottingham City Homes is undertaking research projects in partnership with Nottingham Trent university to measure the wider social impact of the decent homes programme in Nottingham. The first research project was based on areas where the secure work to install new windows has been carried out. The report is quite substantial, but one of the statistics I picked out from it indicates that there has been a 41% reduction in burglaries in areas where the secure work has been completed in homes, compared with a 21% reduction in burglaries across Nottingham. That demonstrates the real difference to the lives of local people that just one element of the programme has had.

One of the other most valuable impacts has been the creation of more than 600 new jobs in the city and 80 new apprenticeships as a result of the award-winning "One in a Million" scheme, under which the contractors agree to take on a new apprentice for every million pounds of expenditure. However, much of the work is still to be completed under the remaining programme and is planned for completion by 2013. Nottingham City Homes was due to receive a further £91 million of funding from the Department for Communities and Local Government for the remaining programme in the coming two years. As a result of the reallocations process, Nottingham City Homes has bid for £67 million to bring 90%—the maximum allowed—of the stock to decency by 2013. It has made an additional bid for £26 million between 2011 to 2015 to cover exceptional stock. The bid now includes an additional £9.7 million for the Meadows estate, after the announcement that the planned regeneration project had been cut from the private finance initiative programme. That is a disastrous decision for my constituents and for the achievement of good-quality housing in the Meadows. I am grateful that the Minister has agreed to meet me to discuss that decision and the impact it is having.

The properties covered by the proposed PFI project in the Meadows were previously excluded from the decent homes programme because they were going to be rebuilt and refurbished. Local residents are extremely

disappointed that the transformation of their estate will not go ahead. It would be deeply unfair and a real kick in the teeth for them if they also missed out on the improvements that other tenants across the city have enjoyed. Let me give hon. Members an idea of the scale of the situation. A further 1,240 properties require decent homes work, including 820 windows, 620 doors, 1,000 heating upgrades, 840 kitchens, 920 bathrooms, plus electrical rewires and insulation upgrades. There is a substantial impact on demand.

The exceptional stock part of the bid also includes five high-rise blocks in Lenton in my constituency, which require additional funds to fit external structural wall insulation to bring the properties to the required standard for thermal comfort. Nottingham City Homes has bid for the majority of funding in 2011 to 2013, in line with original plans and contractual agreements to complete the programme by 2013. It tells me that any delay or change to the contracts will result in increased costs, as the favourable terms will not be achievable at a lower volume or with a delay to the contract, and additional costs will be incurred as a result of the re-procurement process. The results of the bidding process will be announced next month. This is clearly a period of great anxiety for both the ALMO and, more importantly, tenants.

Tenants are rightly angry that the promised refurbishments might not go ahead. There has been huge support for the Nott Decent campaign that they launched to raise their concerns with Government. I was proud to welcome local tenants' representatives Jean England, Alison Thorpe and Ennis Peck when they came to Westminster last year to present a petition to No. 10 on behalf of all those local people who are waiting for their homes to be improved. If the bid is not fully funded, that will severely damage Nottingham's programme, with less value for money, higher costs, hundreds of job losses at a difficult time and, worst of all, thousands of tenants who are expecting their homes to be improved being let down.

I welcome the recommendations in the report by the Select Committee and its wish both to learn from the decent homes programme and to establish priorities for the years ahead, but it seems to me that the priority must be to deliver what was first promised—a decent home for all.

4.31 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): Thank you for accommodating me, Mr Bone. I apologise to you, to the Chairman of the Select Committee, the hon. Member for Sheffield South East (Mr Betts), and to my right hon. Friend the Minister for not being present at the start of the debate. I was chairing a meeting elsewhere in the House on education matters of general interest, which overran. I came here as quickly as I could and am pleased to be here.

I am very grateful for the Select Committee's report. I note that the Committee had the benefit of the contribution from my friend and colleague, Councillor Nick Stanton, who was then leader of Southwark council. He came and gave evidence, together with Councillor Kim Humphreys. That shows that in Southwark, as in Lambeth, Islington and elsewhere, as my friend the hon. Member for Vauxhall (Kate Hoey) said, housing remains an absolutely central political issue today. I know that the Minister knows that, because for a brief period he had political aspirations in Southwark, which I was able to redirect elsewhere. I am sincerely grateful for his interest in and robust engagement with housing issues, and for his willingness not just to listen, but to try to work with colleagues imaginatively to find solutions in difficult financial times.

I had the last Adjournment debate in Westminster Hall in the last Parliament. It was on housing in Southwark. Barbara Follett replied on behalf of the then Government and was positive, constructive and helpful. The debate was on general issues in relation to housing in Southwark, but it allowed me to say then, as I shall say now, that I come to the debate as the person who is privileged to be the Member of Parliament in England with the largest proportion of constituents who live in local authority housing. That has been the case ever since I was first elected. I am privileged to be the Member of Parliament for the borough with the largest local authority social housing stock in London and, I think, the third largest in England. We are absolutely clear that council homes make a hugely important contribution to social cohesion in Britain. In the old borough of Bermondsey, we had the first council homes ever in England. That was the result of a far-sighted, progressive Labour council in the 1920s. We have retained that real commitment to decent homes in public ownership, as well as decent homes in any other form of social ownership.

It is notable—this was part of the evidence given by my friend, Councillor Stanton—that whenever Southwark, under whatever colour of political leadership, has discussed what should happen, we have taken a different view from the one taken in Lambeth and have retained local authority housing in direct ownership and management. In my judgment, we have taken the right view on that. I think that it is important. It provides accountability and is the best solution. I was very glad that at the end of a long struggle with the Labour Government, we were able to win the argument that we should not be penalised. My friends the hon. Members for Vauxhall and for Islington North (Jeremy Corbyn) will remember that, all the time, the Labour Government were trying to incentivise people to become ALMOs and so on, saying that that would provide a better deal. That should be a local decision.

The really good news about the Minister's announcements in November is that, in finding some money for the decent homes programme to continue, which is very welcome, he made the right decision in saying that we are not going to go back to using the old-style rating method. The council's ability to deliver would have been reflected on to the tenants, who would have paid the price. The tenants would have been penalised. I am very grateful that councils are basically starting from a blank sheet, have been able to put in their bids and are awaiting the outcome.

I also think that it was a wise move, although obviously slightly more controversial, to say that in general, and normally, if less than 10% of the stock were still to be brought up to decent homes standards, we would not expect the Government to be able to assist, but that exceptional cases would be looked at. That seems sensible.

I also want to pick up on the point wisely and readily made by my colleague the hon. Member for Islington North, who, like me, has been in debates on housing in this place pretty much for half his life.

Jeremy Corbyn: Longer than you think.

Simon Hughes: Not that much.

Colleagues will not be surprised by the figures in the written answer on 12 January 2011 to a question about the percentage of homes of different tenure in England that are decent homes. The figures are, however, worth putting on the record. Of all private sector homes, just less than two thirds—65.6%—are regarded as decent homes. Of all social property, the figure is higher at 72.8%. That makes the first absolutely fundamental and obvious point: the social sector—council housing predominantly, and more latterly housing association property—has been much better than the private sector at providing decent homes.

Breaking down those figures, it is absolutely not surprising, but absolutely worth putting on the record, that 67.7% of owner-occupied homes are decent homes compared with only 56% of private rented homes. In all our constituencies, the sector with the lowest-quality accommodation is that of privately rented homes, as the Chairman of the Select Committee well knows. That is not as directly the responsibility of the public service as other sectors are, but it is indirectly related, and I remind the Minister to keep that on his agenda. A perfectly good relationship can be built up between central Government, local government and the private sector, which is not over-demanding or over-regulatory, but ensures, to put it bluntly, that landlords and owners are not allowed to get away with letting out rubbish housing. We need to ensure that people are not penalised by being left in such accommodation.

Lastly—again, this is obviously not surprising—in recent years housing associations have gone past councils in the percentage of their stock that is decent housing. The figures are 77.2% of housing association property conforming to the decent housing standard, and 68.5% of local authority property.

Linked to that point, I support the call by the hon. Member for Islington North to have an inquiry, if the Select Committee can find the time, into the housing association sector's accountability to its residents. Housing associations are of very variable quality. There are many in my constituency and although they always engage well with me, they do not always deliver. The other day I spent the day with Peabody, which is based in my constituency. It has improved again; it was very good and then slipped. Other associations also go up and down, but the problem is that there is no democratic system, whereas at least with local authorities, managers can be thrown out, or housing can be made the big issue of the election campaign. That is an issue with which I hope the Government are willing to engage.

Jeremy Corbyn: I absolutely endorse what the right hon. Gentleman is saying. Does he agree that there is huge inefficiency where there are small housing associations running a few properties over a large and scattered area, or on an estate where there are five or six associations? That is an enormous waste of resources, and there ought to be some rationalisation and greater efficiency.

Simon Hughes: That is a real issue. When the London Docklands Development Corporation was developing Rotherhithe and Surrey docks, it contracted with a consortium of six housing associations to develop the place at the end of the Rotherhithe peninsula. That was fine in practice, and all the housing associations were very interested, but when it came to delivering the management of that bit of the borough, it was hopeless because problems arose over the common parts and the public roads. In the end, the housing associations had to agree that one of them would take over the management of all the areas owned by the other five.

My friend, the hon. Member for Vauxhall, argued strongly in favour of tenant-management organisations, which I support and which are often small, bottom-up organisations. Ways must be found of allowing such organisations to retain that degree of autonomy, but within a federation of local housing associations. That may be the way in which we can bring together the small specific housing associations without being draconian and say that they must pass a specific threshold.

It was good that the Labour Government set up the decent homes programme in 2000. For the record, it was sad that they fell short. I understand all the constraints that existed, but in the end the programme did not deliver on its aspiration. It was a judgment call. The result was that the new build of housing under Labour was dreadful—in fact it was more dreadful than under a previous Tory Government. Labour will have to defend that judgment call. The present Government are right in saying—the Minister and I were talking about this only recently—that they have to encourage both new build and the renovation of existing stock. We must do both in parallel; we cannot put all our eggs in one basket.

All local authorities that have social housing—apart from areas in the north-west, such as Burnley, where there is a surplus of housing and where the issues are entirely different—need both new build and renovation. I am talking about all the London boroughs and most of the rest of the country, both rural and urban.

There also needs to be flexibility in the decent homes standard. As Nick Stanton says, there are different criteria for someone on the seventh floor of Lupin Point in my constituency in Bermondsey and for someone in a cottage in a tin-mining village in Cornwall, which may still be local authority-owned. There needs to be the flexibility for that to be defined locally.

When my colleagues were leading the administration in Southwark, they always said that they wanted to apply their own standards rather than the off-the-shelf Government standards. There is also a very different view from the residents. I visited the famous prefab estate in Lewisham—I do not know whether it is in the constituency of the hon. Member for Lewisham East (Heidi Alexander)—which is a wonderful place to go. I have not followed every twist and turn of the saga, but I think that I am right in saying that the council has decided to have it demolished. I regret that because, bizarrely, prefabs that have existed since the war were very popular homes for the people who lived in them. They will not conform to all the decent homes standards, but they were warm and had gardens. Therefore, we should be careful about not being over-prescriptive from the centre.

Heidi Alexander: Given that the right hon. Gentleman raised the subject of the Excalibur estate, I cannot resist making a comment. He is right to say that the council has decided to demolish and rebuild the estate, but it

made that decision after conducting a ballot of all tenants on the estate. The ballot was incredibly close, with more than 50% voting for the demolition and just under 50% voting against it. The costs of renovating the properties and bringing them up to a decent standard were considered. Indeed that was something that many families who live on that estate very dearly wanted. None the less, the difficult decision has been taken.

Simon Hughes: I appreciate how difficult the decision was. Prefab homes are often really popular—they were in Southwark—and there are not many left. That prefab estate was the iconic last redoubt of the post-war London prefab.

I make a plea to the Minister and, through him and his colleagues, to local councils. The decent homes programme must always be re-evaluated on the basis of an up-to-date stock condition survey, but other flexibilities are needed as well. The first is the flexibility to which my friend the hon. Member for Vauxhall referred; I heard the exchange between her and the Chair of the Select Committee. It is nonsense that Lambeth has 600 empty council properties—that is the figure that I was given—because they are allegedly not decent homes, so after tenants leave, the council cannot put another tenant in. There must be a non-bureaucratic, non-municipalist way to engage people from the voluntary sector and community groups to make those homes liveable. There are always people willing to do so. We cannot allow only builders and plumbers in; there are lots of people. I can think of a mate of mine who has just retired—he worked in the bus garage in Catford, as it happens—who is a really good handyman. He is looking for things to do in his early retirement, and he has fantastic construction skills. Lots of people are willing to do it. We must engage the community and ensure that homes do not sit empty just because they are not in the council's programme for 2011.

The other thing that is needed is decent common spaces such as entrance halls, lift lobbies and landings. It makes all the difference. Like my colleagues, whether in Nottingham or London, I can go to two tower blocks in the same borough of identical build and identical height, one of which is clean and pleasant, smells nice, looks nice and has had a touch of paint, the other of which, of the same age, is dreadful and unkempt with peeling paint. We must ensure that councils understand that they should be able to get on with the quick and easy bits of work that can improve people's quality of life hugely for five years without massive spend: it is not about putting in new lifts or redoing the whole building; it is not about having scaffolding up to the 20th floor for half a year; it is about little things.

Much more inventiveness is needed to make homes in the public and socially rented sector the same quality as we would want our places to be. For me, the test is always, "Would I want to live here and invite my family to come into this flat?" If the flat is great but getting there is like going through a sewer, to be blunt, that is not acceptable.

Jeremy Corbyn: On one side of the question of the waste of resources is the ridiculous situation in Lambeth in which homes are kept empty. On the other are places where the council has the money for the decent homes standard but where, when somebody dies or the flat becomes empty, the council rips out perfectly good, serviceable fixtures due to an obsession with uniformity. If a previous tenant who was good at home improvement did some nice work in the place, the next tenant might like to keep it and should be given the choice. Instead, the council rips it all out, wasting time, money and resources to undo what is probably good-quality work.

Simon Hughes: A fantastic unity is developing: I see the Minister nodding; the hon. Member for Islington North, who is not regarded as a right-wing socialist, is making the point; and I agree with the hon. Member for Islington North, so we are all in it together. That is absolutely the point. Many people improve their council properties and make them really nice. If they move, there is absolutely no reason why the new tenants should not be offered the option to keep the property as it is. It might need a bit of a tweak, but the tenants should be offered the chance to find somebody to help them make whatever small changes they need before they move in. Let us be intelligent about such things rather than monolithic, prescriptive and centralised. That approach is frustrating; it wastes time and money; and it keeps people out of housing at a time when we are desperately short of it.

I want to finish in good time—we might even finish the debate early. I have argued for a flexible decent homes standard that is agreed locally, and it should be for local authorities to negotiate that. Possibly such a standard would need Government clearance, but I am relaxed about that. If the local authority is happy, provided that the minimum health and safety standards are met, that is fine.

I know that the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hazel Grove (Andrew Stunell), has made this point, and I, too, am keen to have a modern, green homes standards. If we refurbish, let us make the homes energy-efficient at the same time and save on bills, as well as just making them look nice with new windows and so on. Let us try to minimise the short turnaround.

This is not special pleading, because I have a reason for making this plea. When money is being allocated to local authorities, sometimes there are high expenditure issues that should be factored in so that councils are not disadvantaged as a result. We had a huge fire in Camberwell. It was not in my constituency but in the neighbouring constituency of the right hon. and learned Member for Camberwell and Peckham (Ms Harman). It was just a couple of years ago and there were six fatalities. It was in Lakanal house on the Sceaux Gardens estate.

We had a fire in my constituency two weeks ago. It was in a tower block—Brawne house—on the Brandon estate. Mercifully, there were no fatalities and no serious injuries. I visited the 12th floor with the local councillor and secretary of the local tenants and residents association. Sometimes there are unexpected bills, because a terrible event has occurred, and I hope that councils will not be not penalised when such disasters strike, because they need to ensure that the properties are put back into decent nick. The matter concerns not only the homes affected but the block, and the council might need to repaint or deal with fire damage or whatever. It is not right to tell a local authority that there are no circumstances in which it cannot be regarded as a special case for extra

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help. I am not suggesting that there should be a differential formula for special help, but occasionally there has to be special help for those who have such problems.

Decent homes work is a fantastic opportunity for enhancing local apprenticeships and skills in the local community. There should not be any local authority or local housing association-owned property where decent homes work is going on that does not engage people from the local community in apprenticeships, skills enhancement and training. I hope that that can be encouraged and that the experience is positive. I know that Southwark does it, and we could do more of it.

Colleagues have made the point that leaseholders have a huge interest in what is being done. We need a better system for consulting about works. I have twice tried to get a Bill through to improve the rights of leaseholders, otherwise the leaseholders get ridiculously high bills. Pensioners with no savings can get a bill for £27,000 for works that they never assented to. The work may include replacing windows after people have already replaced them themselves, which is nonsense. I am not aiming that point at one particular council. The City of London corporation owns estates in my constituency and has been guilty of that in the past, when I had to struggle to get the bills down.

We need to ensure that there is fairness across communities and estates as part of the decent homes programme. That is a matter for the local authority to lead. Nothing is more frustrating for tenants who have been on an estate for 30 years than seeing that blocks one, two, three and four have had all the work done and look like new builds, and then somebody says, "You can't have anything in block five for the next five years." Those are all matters for local management. There needs to be sensitivity about how we roll out the decent homes programme. We are at the beginning of a new Government and the decent homes programme will continue for the next four years, which is welcome.

Mr Betts: The right hon. Gentleman is right that these are matters for local decisions, but they are also a matter for central Government if the first group of houses—blocks or individual houses—have been done under the first part of the programme, and suddenly central Government funding is cut, as some of my colleagues discussed earlier, perhaps before the right hon. Gentleman came in. Therefore, half the houses in the ALMO have been done, and the other half remain to be done, but then money is cut off as a result of the CSR, so it is surely a central Government rather than local government decision whether the programme continues.

Simon Hughes: I hope that we can finish the debate without falling out with the hon. Gentleman on fairly obvious political ground. The reality is that Governments allocate money for periods of years—years rather than one year—which is a good thing, because it gives certainty. The Government have chosen, as they were entitled to do, to have a four-year plan, but it has been broken down into two periods of two years each, which is the right sort of balance. I hope that Ministers will be able to show flexibility at the end of two years. That is my wish, but it will be their call.

Obviously, when we change Government, or when we have a new CSR, we will have to reassess what the public finances can afford. I have not met a single person in England who does not understand that we have to tighten our belts collectively—Government, local government and everybody else. Nobody fails to understand that point. The question is how we continue the programme that the Minister has announced and deliver it fairly. As councils make decisions about what they will do, I hope that they will seek to have fairness in their community, so that everybody feels part of the improvement programme not only for their own home, but for that community as a whole.

4.55 pm

Chris Williamson (Derby North) (Lab): It is a great pleasure to serve under your chairmanship for the first time, Mr Bone. I congratulate my hon. Friend the Member for Sheffield South East (Mr Betts) on his excellent opening speech, which set the scene for today's excellent debate.

The hon. Member for Carshalton and Wallington (Tom Brake) referred to ALMOs, almost as a default position, as being better than local authorities. That is slightly unfair—probably very unfair—on the many local authorities that do an excellent job.

Tom Brake: For the record, I made a comparison between ALMOs and housing associations, and not between ALMOs and local authorities.

Chris Williamson: I thank the hon. Gentleman for that clarification, which I welcome, and I apologise for misunderstanding him. I was making the point that many local authorities do an excellent job and do not necessarily need an ALMO to improve the housing stock for which they are responsible.

The hon. Gentleman also pointed out that successive Governments have neglected council housing. That was probably true of the previous Administration during their first four years, but the biggest problems built up over the 18 years of the previous Conservative Administration, and the decent homes programme went a long way towards addressing the backlog of dilapidation that was created by the under-investment from 1979 to 1997. He was hopeful that all the homes that are not currently decent will be brought up to standard by the end of this Parliament. I share his hope, but it is unlikely to be fulfilled.

My hon. Friend the Member for Stockport (Ann Coffey) stressed the importance of good housing management. From my own experience of representing Derby North and as a councillor on Derby city council, I know that that is key to ensuring that people enjoy a good quality of life on their housing estate. Poor housing management can lead to a whole range of problems, and I am sure that there is cross-party agreement on that issue. My hon. Friend's concern that the shortage of housing should be a key priority, if not the top priority, is again one that I share. However, the decision made by the Government to remove housing targets by getting rid of the regional spatial strategies will make it a more significant problem in years to come. Forcing people into the private sector is not a good way of proceeding, as my hon. Friend pointed out.

The hon. Member for Wolverhampton South West (Paul Uppal) referred to apprenticeships and to how it is a good thing to use the decent homes programme to build up jobs by offering training and opportunities through apprenticeships for people to take advantage of the investment in construction. That is another important angle, but to some extent it will be undermined by the cuts made to the decent homes programme.

My hon. Friend the Member for Lewisham East (Heidi Alexander) said that too many people still live in substandard accommodation. She spoke eloquently about the impact that that has on people's lives, and she referred to the embarrassment and shame that people feel, because they live in substandard accommodation. It is not their fault, and we have an obligation to people to ensure that they can enjoy their home. Nobody should be forced to endure that feeling of embarrassment and shame, because of inadequate investment by their local authority and central Government. I share her belief that, in certain circumstances, demolition is the only option. In numerous examples around the country, we have seen that selective demolition has had a significant impact and improved the overall standard of the housing estate, where it has taken place. She concluded by discussing the uncertainty about whether Lewisham will be able to deliver its decent homes standard.

The right hon. Member for Bermondsey and Old Southwark (Simon Hughes) referred to authorities having to have a two-star rating. In a letter to the Chair of the Communities and Local Government Committee, the Minister said:

> "To improve fairness in allocating local authority decent homes funding, we will no longer require ALMOs to have passed a housing inspection with a 2* rating".

Hopefully the Minister will confirm that that is the case and that consequently Lewisham will be able to access the funding that it needs and deserves.

My hon. Friend the Member for Islington North (Jeremy Corbyn) made a number of important points and referred to the cuts building up problems for the future. I share my hon. Friend's concern that it is short-sighted to make deep cuts now, because, in the long term, everyone pays a bigger price, both in human and financial terms. My hon. Friend also congratulated—I want to share in offering those congratulations—people such as caretakers, street cleaners and other public sector workers on doing an excellent job. They are all too often castigated, and they are not celebrated enough. I welcome his comments in that regard.

My hon. Friend also made an important point about high rents in the private sector, people being forced into the private sector and the problems associated with the quality of private-rented accommodation, because of inadequate regulation. The decision of the Government to impose restrictions on housing benefit is a blunt instrument, which penalises people who have, through no fault of their own, been forced to live in the private-rented sector. A better route may have been to restrict the level of rents that landlords can charge, as well as looking at restricting housing benefit. Perhaps the Minister will comment on that. It is wrong to penalise people because they are poor. This impacts not only on poorer people, but on people on middle incomes as well. He rightly pointed out the impact that poor quality housing has on health, education and general quality of life. He referred to the need for greater protection, regulation and security for people living in the rented sector.

The hon. Member for Loughborough (Nicky Morgan) referred to the danger—she repeated the point that other hon. Members have made—of the housing stock deteriorating if we do not invest appropriately. She is right to worry, and she is right to be more worried by the cuts being pushed through, ironically enough, by her own Government. Interestingly, she made the point about the need for adaptations as well. That is another area for disabled people that is extremely important. More people are living longer now, and there is a greater need for disabled facilities grants. It is another area where local authorities will struggle to meet the demand. They are already struggling, but the problem will become even more acute, because of the cuts that are being pushed through.

My hon. Friend the Member for Vauxhall (Kate Hoey) referred to the first four years of the Labour Government—I have already touched on this point—where housing was not given sufficient priority. She said that housing is the most important issue in her constituency, and she also repeated the impact of poor housing on health. She also stressed the importance of insuring that in any investment programme we secure value for money. She said that if we are not careful, there is a danger of cartels being created and the public sector not getting good value for money. We could actually get more bang for our buck, as it were, if we were to bear down more severely on that. My hon. Friend also made a good point about the use of empty homes and being more flexible, and she referred to the GLC. That is a good example to cite, and I am interested in the Minister's remarks about it.

My hon. Friend the Member for Nottingham South (Lilian Greenwood) referred to the withdrawal of a huge PFI scheme that would have dealt with the problems in the Meadows estate. I know that area well, given that it is close to my constituency. Indeed, I had a job with Henry Boot plc as a bricklayer on the Meadows estate when it was being built, but I must say that I am not responsible for it, as I took a job on another building site.

My hon. Friend eloquently outlined the impact of the decent homes programme on her constituents. She discussed not only bricks and mortar, important though they are, but how such matters impact on the lives of ordinary people and improve the quality of their life. Indeed, she said that 80 apprenticeships have been created, and as a result of the cuts to the programme in Nottingham, fewer apprenticeships will be taken on now than would have otherwise been the case.

The right hon. Member for Bermondsey and Old Southwark said that the largest proportion of council tenants is located in his constituency. He also had the good grace to refer to the legacy of previous, progressive Labour councils going back as far as the 1920s. Those councils set an excellent standard. I share his view about ALMOs being down to a local decision. When that is appropriate and tenants want it, that is fine, but it should not be forced on them. He, too, made the point about the private rented sector and the fact that most of the overall housing stock in the country that is not up to a decent standard is in the private rented sector. Only 56% of privately rented accommodation

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comes up to the decent homes threshold. That matter needs urgent attention, and I hope that the Minister will deal with it in his concluding remarks.

Simon Hughes: I wonder whether the Minister will at least lodge the Select Committee's recommendation, which the previous Government did not pick up—it might not be possible to do so immediately—that VAT changes to allow renovation and new build should be treated similarly. That could be a Government policy, because it would address the renovation backlog, including that in the private sector.

Chris Williamson: The right hon. Gentleman makes a pertinent point with which I entirely concur. Earlier, he reiterated comments made by other hon. Members about the important of flexibility to deal with empty homes. It is important that we put on the record what a wonderful scheme the decent homes project was and note the £40 billion investment. The decent homes programme has delivered more than 700,000 new kitchens and 525,000 new bathrooms for tenants throughout the country. One million people have received new central heating systems and 750,000 people have had their homes rewired. It has certainly gone a long way to address the legacy of dilapidation that the Labour Government inherited from the previous Conservative Administration, which was in power from 1979 to 1997, and 92% of the country's social housing stock meets the decent homes standard. It has helped to regenerate local areas, and it has particularly helped to address the problem of low demand.

The Chartered Institute of Housing has said:

"The setting of the standard, the ten-year target, the allocation of the resources and the near achievement of the target can be regarded as a major success story".

The National Housing Federation has said that the programme has

"undoubtedly helped to raise the quality of homes benefiting millions of tenants."

However, as hon. Members have said today and, indeed, as the recommendations from the Committee's report point out, there is still more to do. The standard should include a minimum energy efficiency rating, which is clearly important. The backlog needs to be cleared, and there should be funding to deliver both new homes and the maintenance of and improvements to existing stock.

The think-tank for London Councils has pointed out that London Councils remains concerned about the funding shortfall to deliver the decent homes programme. As my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) pointed out, London alone needs £2.5 billion to complete the programme, and about 10% of London's stock is below the standard, which represents 46% of the national total. That is a major issue that clearly needs to be addressed.

In a series of letters to the Chair of the Committee, the Minister stated that

"the Government is constrained in its ability to commit to specific housing policies, including the way forward for tackling poor housing and energy efficiency."

He went on to state in that letter, which he sent in July:

"The Government's key priority is to devolve power from Whitehall to people, neighbourhoods, communities and...institutions".

He also stated:

"Councils need the freedom to make the best long term decision for their housing, and it is critical that reform is able to deliver that."

Of course, that has been done in the context of unprecedented cuts in funding for local authorities. I would be interested to hear from the Minister how he thinks councils will be able to deliver the ambition that he set out in his letter, when he is responsible for imposing huge cuts. In the letter, he also referred to the green deal. Although the green deal is welcome, it is inadequate for addressing the need for energy efficiency in people's homes.

In a second letter, the Minister stated:

"Throughout the spending review the Government has been guided by a commitment to fairness, protecting the most vulnerable people in our society and as far as possible protecting frontline services."

However, the reality is that the cuts are impacting disproportionately on the poorest people in society. Local authorities with the greatest needs are bearing the biggest cuts, so I wonder how the Minister can square that statement with the reality of their funding decisions.

I am running short of time, so I will conclude simply by saying that if we compare the policies being pursued by the present Government with those of my right hon. Friend the Member for Wentworth and Dearne (John Healey), when he was the Minister with responsibility for housing, hon. Members will see that he published a paper that would have enabled the decent homes programme to have been completed. His proposal would have ensured that local authorities could keep 100% of the capital receipts and would have seen an expectation that at least 75% of those receipts were reinvested in housing. That would have been a boost not only for the people living in those areas, but for the construction sector and jobs. It would have helped to deliver the Government's stated intention of a private sector-led recovery. There are many questions that the Minister needs to answer in relation to this whole agenda because, if the ambition of a private sector-led recovery is to be realised and if the interests of tenants are to be met, the Government need to consider a significant change in direction.

5.14 pm

The Minister for Housing and Local Government (Grant Shapps): It is a pleasure to serve under your chairmanship this afternoon, Mr Bone. I congratulate the hon. Member for Sheffield South East (Mr Betts) on securing the debate—or, rather, the Backbench Committee on nominating it and the Chairman of the Select Committee on securing it. It has been a high-quality debate and, after listening to it for the past three hours, I know why. It started with a political back and forth in the opening few minutes, but it then settled down to be a most intelligent and well-argued debate, with people who are passionate about social housing. It has been very good. In that spirit, I will follow the same path.

Let us get the politics out of the way. We know that the money had run out and that it was no longer possible to continue borrowing money we did not have to build a greater deficit that our children and their kids would carry on paying for the rest of their lives. Something had to change. When the hon. Member for Sheffield South East spoke about "our cuts," I had to resist

shouting back, "But they are not 'our' cuts!"; they are the cuts that the previous Administration were not prepared to make.

I am delighted that that is out of the way, because I can now start to address, in as much detail as possible, the excellent comments that have been made this afternoon. I shall preface my comments by saying that, despite the economic environment in which we find ourselves, the decent homes programme has not been cut by anywhere near as much as the Chair of the Select Committee suggested. I want to pick him up on his twice-repeated claim that there has been a 50% reduction to the programme. That is untrue. A reduction was made to the programme under the previous Administration. My predecessor, the right hon. Member for Wentworth and Dearne (John Healey), raided the programme for £150 million in—I speak from memory—July 2009 to pay something towards the so-called housing pledge, which is the new build programme. That was the first cut to the decent homes programme.

I think I am right in saying that some £319 million was indicatively signalled to have been spent on the programme, but, despite these economic times and some tough decisions, we are still spending just over £2 billion on decent homes, which, thinking back to the spending review, is more than most commentators thought likely. It is divided into about £1.6 billion to local authorities and £500 million to help some of the organisations that are in transition having left local authorities. I just wanted to put that on record. It could be argued that the reduction is 15% or 20%, but not 50%.

Mr Betts: I have a note based on information from the scrutiny unit of the House, which indicated that the reduction was from £2.6 billion over three years to £2 billion over four. It said that that was a cut of 42% without taking account of inflation, so I think that my figure of a 50% cut is about right.

Grant Shapps: We could knock these figures back and forth, but I reject the idea that the cut is about 50%. I accept, however, that more money needs to be spent on decent homes.

Chris Williamson: Will the Minister give way?

Grant Shapps: I hope that the hon. Gentleman will not mind my making a little progress. Others have spoken for a lot longer than I will get to respond to the many points that have been raised.

We are putting in £2.1 billion, but I would estimate that we need about £3.5 billion to truly finish the programme. I expect that, by April, about 210,000 homes will still be in need of decent homes funding, and the programme throughout this Parliament may cover about 150,000 of them.

The Chair of the Select Committee also asked for greater flexibility for local authorities to, for example, put in a boiler but charge 0.5% more rent. That is a very sensible suggestion and it requires no intervention from me. Local authorities are absolutely within their rights to do that. The guideline rents that we currently provide mean that they already have flexibility, and the direction of policy in the Localism Bill, which is at Committee stage, is to do precisely what he says. It is an excellent idea and one of the very good suggestions that have been made.

My hon. Friend the Member for Carshalton and Wallington (Tom Brake) raised the issue—perhaps he did this inadvertently, but it also came up in a later exchange—of the value of ALMOs versus housing associations versus local authorities. I do not particularly want to enter into this debate, other than to say that, from a Government perspective, I have a completely neutral view on whether an ALMO is better than a local authority or a housing association. Indeed, there have been some very interesting exchanges throughout the afternoon, and they have all been argued from the individual perspectives of constituency MPs. We know that, at certain times, an ALMO can be very good or very bad, and the same can be said about a local authority or a housing association.

There are even arguments about the size of housing associations, from vast conglomerates—I have a great deal of sympathy with some of the comments about the distances sometimes involved—to some small ones. In my experience, having travelled around the country a lot, looking at different types of housing, there is no single prescription for the right size or shape of organisation to run housing.

The hon. Member for Stockport (Ann Coffey) made a number of interesting points. I was impressed in particular by her comments on the quality of the environment and on how important design is to the way people feel, which was picked up again by my right hon. Friend the Member for Bermondsey and Old Southwark (Simon Hughes), when he talked about walking into a block of flats and how the entranceway can make all the difference.

The hon. Member for Stockport also made the point about walking into the home of someone who has had the decent homes work done—the delighted tenant—and sharing in that delight. I am sure that, as constituency MPs, we have all been in that position. I put it on record that, in the previous Parliament, I was the Conservative Opposition Member who represented the most council tenants in the country—I have not checked for this Parliament. On many occasions, however, I have walked into a kitchen or bathroom and been greeted by the delighted tenant. It is an absolute pleasure.

I also put it on record that I believe in the decent homes programme. It was an achievement of the previous Government. I accept the comments of the hon. Member for Vauxhall (Kate Hoey) and others, including the hon. Member for Derby North (Chris Williamson), that it probably started four years too late, but it did a lot of good work. I also accept the arguments of the hon. Member for Islington North (Jeremy Corbyn) and others, that it sometimes carries on doing work where it is not quite required to do so, or doing it in a uniform or almost machine-like fashion, at times unnecessarily ripping out perfectly good accommodation or facilities, as mentioned by other Members.

My hon. Friend the Member for Wolverhampton South West (Paul Uppal) talked about the importance of apprenticeships. I absolutely agree with what I thought was a thoughtful contribution from him. We have a great opportunity, with today's economic backdrop, to ensure that local skills are being used or upgraded to provide improvements for people's homes. It is the

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perfect mix and combination, given the opportunity of the £2 billion-plus to ensure that it happens in the future.

The hon. Member for Lewisham East (Heidi Alexander) made a number of interesting points about estates still requiring regeneration. I offer to engage with the hon. Lady to listen to the problems and to be of as much assistance as possible. It is not easy, the money does not exist and we have had to make difficult decisions, as she and everyone else appreciates.

However, I wanted to correct one point in the hon. Lady's speech, when she seemed to suggest she believed that the local authority would have to contribute 10% towards the costs of decent homes. That is not what the Government said. I said that if more than 10% of repairs were needed in order to reach decent homes standard—if there were more than 10% non-decent stock, in other words, which I believe would be the case in Lewisham—authorities can apply for decent homes funding. It is not that they are then expected to pitch in 10%, although in fact it might be a good idea for them to do so. I just wanted to ensure that that got on the record.

Tom Brake: The Minister mentioned estates that still need renovation. Can he confirm that it would be strange if ALMOs with two stars, which put a programme to Government that demonstrated their capacity to deliver and carry out that estate renovation, were not given some priority in the bids?

Grant Shapps: My hon. Friend is right to point out that what should count is the quality of the organisation, its ability to deliver and the need on the ground. I feel strongly that it is wrong to penalise tenants for whom it is almost impossible to do anything about the lousy management of their property, because they happen to have a useless landlord, and then penalise them again for that very fact.

My hon. Friend's wish will come through in the work that will be done by the Homes and Communities Agency in assessing those bids, which will be taken further next month. It seems natural that those organisations that are well run and have a good plan will be more successful within the limited resources. If they are good, they are good. I do not think that two stars necessarily means that an organisation is good; it can all too often mean that it is good at ticking the right boxes, and employing too many consultants on too high a salary to jump through hoops, which is irrelevant to the lives of people on the ground. I am sure, however, that there will be a correlation.

In response to the hon. Member for Lewisham East, and to the many Members who raised this issue, the revenue account will be a vital part of the reform package. We have established that in our view the country does not have the money to completely finish the decent homes programmes—to make significant further progress during this Parliament—but we can carry out housing revenue account reform, and we are legislating for that right now in the Localism Bill, building on the work undertaken in the consultation by my predecessor, the right hon. Member for Wentworth and Dearne. One upshot of that will be an ability to plan for the renovation, repair and renewal of local authority stock for the next 30 years. I am very keen, as the hon. Member for Lewisham East pointed out, to get that provision through, and I look forward to support from right across the House in securing the progress of that part of the Bill. I do say to the hon. Lady that Lewisham's chief executive could perhaps make a personal contribution by reducing his £192,000 salary. Times are tough, and I would have thought, as other Members have pointed out, that that would be a very good place to start.

The hon. Member for Islington North raised the point about two-star ALMOs. I have talked about how the system was unfair, and I am pleased to sweep it aside. In addition, I really do not mind if local authorities want to continue to manage their stock for ever. That is entirely their business, and this Government will cease the tricks of pushing local authority stocks into different forms of management. I sense from this debate that there is cross-party agreement on that matter, on the part of many MPs. The hon. Gentleman also mentioned the subject of ending lifetime tenure, and affordable rent, which he and I have discussed previously. The most important thing that we can do is to provide more homes and upgrade the homes that we have.

I have judged that, given that the previous Government put £17 billion into building more homes, after 13 years they ended up with a net loss of 45,000 homes. Yes, there was the right to buy and yes, pathfinder knocked down homes, but if we tried to use that maths again, we would discover that we needed £50 billion to £100 billion from the Treasury simply to build more homes in that way. In other words, something was not working, and we needed to find a different solution. Affordable rent is my version of that solution. We can now use the additional money, in the way that the Chairman of the Select Committee suggested we do for renovation, for building more homes, and that will be a sensible step forward.

My hon. Friend the Member for Loughborough (Nicky Morgan) made a number of important points, about the additional amounts of money sometimes required for homes built in different types of fabric—I know that the Homes and Communities Agency will take that issue on board—and, in common with several other Members, about round 6 bidding. Round 6 was never approved, so no one on the ground should have ever thought it was definitely going ahead. I will be meeting the hon. Member for Nottingham South (Lilian Greenwood), and I make the same offer to my hon. Friend and to Members across the House, to meet to talk about the issues and the possible ways forward.

I thought that one of the best speeches of the afternoon was made by the hon. Member for Vauxhall, who rightly pointed out so many of the common-sense realities of housing, and whose speech was devoid of any political back and forth. Many of the same issues were raised by other Members, but I thought that hers was a great contribution.

In response to the hon. Member for Nottingham South, I can say that I have visited Nottingham City Homes and have even had its chief executive, Chris Langstaff, to my office here in Parliament. I know the great work that the organisation does, and I know

that that work will be able to continue. With the flexibility that we are now providing through localism, with money going locally rather than through larger regional organisations, and through the housing revenue account reform, organisations such as Nottingham City Homes will be able to continue to upgrade homes, albeit at perhaps a slightly different pace.

My right hon. Friend the Member for Bermondsey and Old Southwark made a great contribution. He and I have discussed housing on many occasions.

5.30 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Tuesday 1 February 2011

[JIM DOBBIN *in the Chair*]

School Governance

Motion made, and Question proposed, That the sitting be now adjourned.—*(Bill Wiggin.)*

9.30 am

Mr Robert Buckland (South Swindon) (Con): It is a pleasure to introduce a debate, which I believe is timely, on school governance. School administration faces radical reform. More schools are becoming academies, maintained schools face the prospect of changes in local authority control and free schools are on the agenda. In my opinion, the role of governors and governing bodies has never been more important. Apart from reforms resulting from changes made by successive Governments over the past 30 years, the system has not really changed for many more years than that.

The current system can best be described as committee-based. It involves volunteers coming together at various times during the school year. Gatherings of the full governing body, which is normally about 20 people, are often less well attended, and the committee structure is designed around the various disciplines that school leadership teams feel should be addressed.

I am happy to say that the model is not prescriptive. Each school has the freedom to set its own committee structure. For example, Ridgeway school at Wroughton in my constituency, where I served as governor for four years until the end of 2009, had what can best be described as a typical committee structure. We had a committee to deal with the curriculum, a committee to deal with student matters and a committee to deal with finance and premises—the traditional division of work. However, despite the excellent work done by school governors, despite the fact that more than 300,000 admirable volunteers serve as school governors, and despite what they do to support head teachers, staff and the wider community, I believe that more can be done to improve the effectiveness of their work.

I am not the only one to say that. Head teachers and governors whom I know and respect, along with national organisations, are making similar representations to the Government. I am delighted that, under the White Paper process, the Government are committed to reviewing the efficiency of governing bodies and to working with organisations and schools to improve things. I welcome that, and today's debate gives the Minister the opportunity to put some more flesh on the bones of that valuable commitment.

I say that the debate is timely because, under the previous Government, and despite a promising start, two years were lost during which there was much debate and discussion about the role of governing bodies. The former schools Minister, now Lord Knight, started that valuable work in 2008, but it was not until the eve of the general election that a report was published. I welcomed that report; it contained much that was positive, and I am sure that the Government will bear it very much in mind when building upon it.

I pay tribute to the work of governors, and particularly to the chairs of governing bodies. They are entrusted with huge responsibility, and it is all done voluntarily. With good practice, they work closely with head teachers and senior leadership teams. They are regularly in and out of their schools, and they help set the school strategy. However, like it or not, I increasingly feel that governing bodies have split into two tiers. The inner tier of governors has the time and wherewithal to become involved in the strategic management of the school; the outer tier does much of the monitoring work: going to the school, meeting the teachers, getting to know the link subjects and following things up excellently, but I believe that we now have a spilt between those two roles.

Those two roles are the essential tasks of a governing body. They help set the strategy, aims and objectives, policies and outcomes of a school, and they monitor and evaluate progress in achieving those things. I am not talking about the crossover between operational work and strategy. I readily accept that governors do not and cannot have a role in the day-to-day management of the school. That would trespass on the province of the professionals employed to do that job—I am sure that the professionals would echo that. However, if the role of governors is to become more pivotal, more work has to be done to focus their energy, talent and time on the two tasks that I have set out.

Time is a valuable commodity. It is given freely by governors. I hate to think of them spending their time at long and unproductive meetings, feeling that nothing much has been achieved. I do not say that that is universally the case, but I would be telling an untruth if I said that there were not times during my service as a governor in various schools when I came away from rather long meetings feeling frustrated.

Justin Tomlinson (North Swindon) (Con): I congratulate my hon. Friend on securing this excellent debate. Between us, we represent the two halves of Swindon, so I am sure that we must often have spoken to the same people. Indeed, one governor to whom I have spoken supports what my hon. Friend says. I sum it up by saying that they are money-rich but time-poor in middle England. That is one of the biggest challenges, given that we presume that some schools would be awash with potential school governors. I wonder whether my hon. Friend has heard that from other governors.

Mr Buckland: My hon. Friend is right to mention middle England. Like me, he represents a seat with a wide spectrum of social indices. We have schools in leafy suburbs, schools in challenging areas and schools with a large percentage of black and minority ethnics. Time is a precious commodity wherever one lives, but energy is even more precious. It is incumbent on policy makers to lead the debate when it comes to focusing the valuable talents and energies of our school governors.

I mentioned earlier the frustrations that I felt about long and unproductive meetings, but those frustrations are often shared by head teachers. They spend a lot of time having to prepare long documents that are then read out to the governors. With the best will in the world, head teachers do not always have the time to do

[Mr Buckland]

the important early pre-meeting circulation that can improve accountability. It is rather like a half-baked cake; it has good content, but it has not set in a way that makes it digestible. I am sorry to say that that experience is repeated throughout the country.

I do not criticise the entire system, nor do I criticise volunteering. I am entirely in favour of the system, but we must maintain the important principle at its heart. With a little adjustment here and there, and a little imagination, we could get it right. We should fit the system around the talents of the governors rather than trying to fit the governors into a rather tired and stale system. That is the essential point that I wish to make today.

Guy Opperman (Hexham) (Con): I am fascinated by the idea of the half-baked cake, and where we are going with particular parts of it. May I raise the matter of special educational needs? My hon. Friend knows that I have experience in that field, and I am curious to know his view on it, and the interaction between what the headmaster and the governors are doing, on an ongoing basis.

Mr Buckland: My hon. Friend has a long history as a lawyer in dealing with SEN tribunal cases. He will know that my last role in my last school was to be the SEN link governor. Therein lies the essence of the dilemma often faced by governors. I was working with a dedicated and talented SENCO—a special educational needs co-ordinator—with years of experience. She would come to me with issues that sometimes strayed into operational areas. As the SEN link governor in a mainstream school, I felt that I had a duty to raise her concerns and to ensure that the issues of SEN and of those students who had statements or who were on a school action plan or school action plus were put centre stage of key strategic decisions.

One of the issues facing us was that the SENCO was not part of the senior leadership team. There was a champion for special needs—an assistant deputy head teacher who was a talented and able person—but it would have improved things if the SENCO had been part of the senior leadership team. That ties in with some of the suggestions made by the National Governors Association, which takes the view that there is no need for a SEN link governor because that work falls under operational matters. I hesitated when I read those observations, because making such a move is all very well, but unless the SENCO is at the heart of the leadership team, a link governor is necessary to represent the interests of not just the special needs staff, but the children with special needs and their parents.

I am grateful to my hon. Friend the Member for Hexham (Guy Opperman) for his comments. It is important that we get down to detail when we consider that sometimes troubling division between setting strategy and operational matters. The same can be said about looked-after children. My hon. Friend the Member for Crewe and Nantwich (Mr Timpson), who sadly cannot be with us today, is campaigning assiduously to ensure that the needs of looked-after children in mainstream schools are properly represented. He is championing the cause for a link governor for those children. I make exactly the same observation as I have with SEN. The matter can be dealt with if there is proper representation for looked-after children in the senior leadership team, with the deputy head teacher ensuring that their voice is heard and that their interests are taken into account.

I have talked about autonomy and the gradual decline in the role of local authorities, which places quite a significant role on governors. Many schools in my local area are considering academy status. Some have formally applied for it and others are considering it. Some schools are thinking about federation, which is a huge opportunity to enhance the strategic approach taken by the governing bodies. Moreover, it is an opportunity to enhance that division of work between strategy and monitoring.

With devolution of power to schools goes devolution of power within schools. That means that learning departments—whether English, maths or modern foreign languages—will have link governors to liaise with governors whose strategic role is to monitor the progress that each department is making. Many schools, including my own governing body, have such a system in place, but whether it is working as well as it could is another matter. If we accept the role of volunteers, we have to acknowledge that volunteers' time will depend on the nature of their other commitments. That is why it is vital that we understand the principle of matching the talent to the available roles.

Some governors have particular expertise in procedures to do with exclusions and complaints, particularly those made by parents. An increasingly important part of the role of governors is dealing with complaints. The Government are doing all they can to simplify and rationalise the exclusion system. I know that they quite rightly view exclusions as a last resort. It is the last option for a head teacher, who will use it as their ultimate sanction when dealing with a particular issue in the school, and that is the right approach. However, it means that more emphasis will be placed on pre-exclusion work, and the role of governors in that regard will become more and more important.

Guy Opperman: In respect of exclusions, does my hon. Friend welcome the fact that we will be doing less work on a long-term basis on exclusion procedures because they will be simplified as we move forward?

Mr Buckland: My hon. Friend is absolutely right. I was putting it in a slightly more roundabout way. Although there will be less work on formal exclusion procedures, there will be a growth in other types of intervention, most notably in parental complaints. I know that every governing body will have a policy on complaints, but they must be assiduous in ensuring that those policies are comprehensive and understandable to the parents themselves.

I have used that example of special work as a way of engaging people in the community who have a talent, a training or an understanding of such principles but who may not have the time to commit to regular committee meetings. Although I do not want to see visitors coming into the school with no knowledge of the environment, people with specialist knowledge have an important role to play. If they get the training to deal with specific procedures, they can help out schools with particular challenges. One example is the big issue of finance that faces school governing bodies and head teachers. There is no doubt that the most onerous part of the duties of academies, free schools and maintained schools will be

the maintenance of their budgets. It is already a big challenge for many schools. Some schools are getting it right; others are finding it more difficult. I am not casting aspersions on individual schools; I am simply stating a reality. Having spoken to many teachers and head teachers over the years, it is my understanding that they are always receptive and open to the sort of input that people with specialist financial training can provide. Although the Government are doing all they can to simplify financial structures, make financial information easier to understand and remove some of the labyrinthine documents that I have had to view over recent years in the context of SEN funding, I can see a key role for people with financial expertise in not just the strategic running of a school but in assisting head teachers and finance officers with the management of budgets.

Justin Tomlinson: Talking to school governors in my North Swindon constituency, I have found that many are attracted to the role because they are keen to get involved in operational issues, which they obviously cannot do. As governors who are either interested in or have the necessary skills to deal with the finance side are in chronically short supply, they often get put on to those committees and that drives them away. One of the biggest challenges is attracting people with the right skills, not necessarily parents, to come in and take that very important role in schools.

Mr Buckland: My hon. Friend has hit on a central issue in the debate on school governance—the balance between the need to have skills and the need to be representative of the wider community. The two are not mutually exclusive. Imaginative governing bodies—there are plenty out there—are striking that balance at the moment. Professionally skilled people who live in the local community, perhaps trained accountants, lawyers or doctors, can become partnership governors—if it is a foundation school—community governors or a representative of their local authority. We then balance them out with the parent governors, who play an important part in governing bodies. Indeed, some play a huge role in running their schools, which is welcome, but more can be done to engage the wider parental community. Loads of parents are out there who, because of their work and family commitments, do not have that precious commodity of time. However, if they were on a database of supporters, or friends, of the school, they would, I am sure, give what time they had on specific projects, such as enhancing the appearance of the school. They can be given something to match their own talents to enhance the life of the school. What better way of cementing the role of the school in the community than creating this wider support base?

Of course, with that support base comes the obvious imperative, which I know sensible governing bodies are addressing, of working with parent teacher associations and organisations that exist alongside them to help raise funds for various school projects. There needs to be a lot more constructive thought about how we involve the wider community in our schools. With the end of the centralised role of local authorities, that imperative for schools to look outwards as well as inwards has never been more important.

It is said that every governing body is only as good as its clerk. Again, all of us in this room and others elsewhere will have known some experienced and hard-working governing body clerks. We must not forget those clerks in this process. If there is to be the type of change that I envisage, they will need support, training and help to tackle what might become an increasing burden of work for them. The chair of the governing body should never be in a position where he or she is left, if you like, to do it alone. Succession management is a vital part of a functioning and effective governing body, and again more work needs to be done, if not to formalise best practice then to encourage it among governing bodies that might have had a chair for some considerable period and therefore need that change to continue in a successful vein.

The key points that I want to reiterate before retaking my seat are: respecting the difference between establishing strategy and operational management, a difference that has always been at the heart of the principle of school governance; understanding the different roles involved in the establishment of strategy and the monitoring of results, and trying to create a system that reflects the talents required for those different roles; and involving the wider community in the work of governing bodies in a way that not only fits in with people's demanding lifestyles but that can do so much to enhance the life of our schools, and, importantly, encouraging everyone to move away from the idea that one or two meetings a term will cut the ice when it comes to modern school governance. There are so many better and more imaginative ways to do the job, and I am sure that my colleagues in Westminster Hall today will give more examples of that as the debate proceeds, hopefully stimulating an important and useful part of the process of change.

9.52 am

Andrew Percy (Brigg and Goole) (Con): I apologise in advance if I have to leave the debate early, Mr Dobbin. I have been appointed—joy of joys—to a Delegated Legislation Committee that begins at 10.30 am, so I mean no discourtesy if I have to leave the Chamber before that time.

I congratulate my hon. Friend the Member for South Swindon (Mr Buckland) on securing this debate. I know that he has a huge interest in school governance, and I agree with much of what he has said. I want to make a couple of observations based on my own time as a school governor. I have been a governor at the same school for the past 10 years, and before that I served on the governing bodies of two secondary schools. I serve as a local education authority governor in a school that I attended as a child and that is in the area where I was a councillor. Consequently, I felt that my role as a LEA governor was to be a link between the community and the school.

I associate myself with my hon. Friend's comments about the work that governors and governing bodies do in general. Very often, governing bodies are full of dedicated individuals who have the best interests of the school and their wider community at heart. As we change the education system in this country, however, the time has come to question whether we are necessarily doing things correctly. I have a couple of observations about some of the flaws in how governing bodies work at the moment.

My hon. Friend has discussed schools accessing the wider community, members of which might have particular skills in finance, law and such like. However, that is not

[Andrew Percy]

a scenario for all school catchment areas, particularly if the school is in a deprived area, where some of those skills might not be available—it is sometimes a challenge to attract people to be governors in such schools.

One way of tackling that problem, which my hon. Friend has touched on, is to set up a federation of schools, whether it involves a better performing school pooling and federating with a poorer performing school, or whether it involves a cluster of schools pooling and federating, such as a secondary school and its feeder primary schools. I say that because if there is a gentle criticism to be made of governing bodies—I make it very gently, because nobody here wants to attack or insult the work of people who are giving their time for free—it is that sometimes the governing body sees its role as being to support the head teacher in the decisions that they make. Often, governing bodies lack the robust challenge and scrutiny role that they are actually there to fulfil, and I have seen that myself as a governor. Frankly, that sometimes happens because governing bodies are full of educationists. I say that as a former teacher who still serves as a school governor, but I have sat on governing bodies where the people who have fulfilled the parental governors' roles might well be parents of children at the school, but very often they also work in the LEA or are teachers themselves. The question whether we get the wide representation on governing bodies that we desire is sometimes open to debate.

When I was a councillor in Hull, one thing that my local authority looked at was using the children's trust model as a way of changing the governance arrangements within the city. The idea was to bring together the primary schools and possibly one or two secondary schools through the children's trust, to try to get some of the more strategic thinking that has to be done within schools fed through that process. I supported that model, and I hope that we can build on it. Indeed, it is a model that becomes more important as we move towards the academy structure and increasing numbers of free schools.

The situation has changed in schools. At one time, head teachers saw themselves as looking after their particular parish, as it were—it was almost as if their responsibilities stopped outside the school gates and, perhaps quite reasonably, they focused on what went on within their own schools. However, that has changed, and secondary schools are much better at engaging with their feeder primary schools, and primary schools are much better at working with one another. There are initiatives that have helped that process along the way. One of those is school sports partnerships, which have brought together schools that would previously not have communicated with each other. Perhaps it is time to consider whether the current structure works and whether we should put a greater emphasis on schools' governing bodies to get their schools either to federate or to work more collaboratively with other schools in their area, so that we can introduce strategic thinking into the system and, perhaps, a more robust way of challenging of things.

I am making only a mild criticism of governing bodies, because, as I have already said, people who serve as governors tend to be incredibly hard-working, and I would not wish to besmirch them in any way. Nevertheless, we must accept that they do not necessarily always challenge things robustly. It can be hard to challenge things. If a motivated parent becomes a parent governor, their reason for doing so is often that they want to support the school, and it is a natural conclusion that supporting the school involves supporting the head teacher in the decisions that they take.

Another criticism concerns the links between the LEA and governing bodies. LEA governors often work in the LEA or as teachers themselves, and they sometimes serve as community governors or parent governors. However, governing bodies can sometimes become a little too LEA-centric. I have sat at many governing body meetings where we considered a paper from the LEA that included a recommendation. In such cases, people around the table often conclude that, because the recommendation has come from the LEA, they should, of course, approve it. Their reasoning is, "Why would the LEA suggest it if it was anything other than in the interests of the school?" That process is sometimes reinforced by clerking services being brought in from the LEA, which further builds the link between the governing body and the LEA. In one sense, that link is important, but there needs to be a clear separation of power.

My hon. Friend the Member for South Swindon has touched very eloquently—much better than I could have done—on the roles that particular governors play. Those roles have changed in my time as a governor, and more governors seem to engage with the school. When I was a local councillor and a school governor at the same time, I always saw my role as providing a community link, but other governors were determined to get involved in the school and spend some time in it. For example, if they were the foundation link governor, they spent some time with the foundation stage teachers, or if they were the literacy governor they spent some time talking to the literacy co-ordinator. That situation has improved, but it is still open to debate whether it has improved scrutiny.

Guy Opperman: My hon. Friend is giving a good overview of the different assets provided by particular governors. Does he see an ongoing role for a pastoral support programme, and would that help us to go forward? It used to be in the programme, but it is not currently included.

Andrew Percy: That is absolutely vital. When we had a debate on disadvantaged children, I pointed out that in some ways pastoral care has been sidelined in recent years. Pastoral care is more important than ever, particularly where behaviour is concerned, and we all agree that we want to reduce the amount of exclusion.

I am straying a little from the topic, but I point out to the Minister that one of the biggest sadnesses of the changes in recent years is that classroom teachers, particularly in secondary schools, have often had their pastoral roles taken away and handed to other people in the school—albeit those people are often very capable—including learning mentors and teaching assistants. I have always believed that classroom teachers are not just educators but part-time social workers, occasionally parents and sometimes, depending on the class, just childminders. We have a multiplicity of roles as classroom

teachers, and we have been losing our role in pastoral care. Hopefully, the Minister has heard my pleas on that issue.

I have identified some of the problems that I see at the moment, which I am good at, but I am not quite so good at identifying the solutions, which is why I do not hold ministerial office—that is a job for Ministers. The time has come, however, to question whether school governance arrangements work as they should, and if I had a solution, it would be, as I have said, to encourage federation.

Justin Tomlinson: My hon. Friend has made an exceptionally thoughtful contribution based on his experience in the teaching environment. Does he see federating schools as adding to governors' time commitments, or will that approach reduce them because the work load is spread out?

Andrew Percy: That is a difficult question. In some respects, federating would lessen the burden, because some people who join governing bodies want to take on that strategic role regarding the direction of the school but do not necessarily want to be engaged in the nitty-gritty. I have sat on governing bodies where it has been about who can outdo the others and who has been in the school the most, but that does not mean that that person has necessarily been the most effective governor. There is a role for both kinds of governor, which might be achieved through federation. You can have governors who give their expertise to the strategic direction of education in a particular area, and you can have others who play the community role or a much more involved role in a particular school. That is something that we need to look at.

I will not speak for much longer, because I know that other hon. Members wish to contribute. I associate myself with many of the thoughtful comments made by my hon. Friend the Member for South Swindon, who has a great deal of experience in this area. I am sorry that I will not be here to listen to the Minister, but I will, of course, read his speech in *Hansard* tomorrow.

Jim Dobbin (in the Chair): Before I call the next speaker, I remind Members when making interventions not to use "you" to refer to other Members. Please use "hon. Friend" or "hon. Member".

10.3 am

Esther McVey (Wirral West) (Con): I am delighted that my hon. Friend the Member for South Swindon (Mr Buckland) has secured this debate, and that I am able to add to it.

I welcome the Government's plans to allow and encourage more schools to become independent of local authorities, but it has to be acknowledged that the role of governing bodies will therefore become more pivotal in the school system. With the increased freedom, there need to be clear guidelines, a coherent line of accountability and, should it be necessary, clear sanctions that can be imposed. Such clarity will add to the smooth running of a school, and to decisive action should there be a dispute.

I have personal knowledge of this matter, and am here today not just to seek clarity from the Minister but to share experiences—experiences that we could all learn from and which could shape future school governance policy and accountability. I am proud to boast of exceptional schools and teachers right across the board in my constituency, and of a strong tradition of grammar schools, faith schools and specialist colleges. I was, therefore, greatly dismayed when a dispute began between the governors and head teacher at Calday Grange grammar, one of the best schools on the Wirral, with more than 360 years' experience and history. Over a year later, the matter is still not resolved. The school is without a permanent head teacher, which a school needs; parents and pupils are unhappy—rightly so—as well as confused by the whole affair; loyalties are split; and Ofsted has downgraded the school's performance from outstanding to good. There have been parent demonstrations, newspaper coverage and a Facebook campaign to try to resolve the festering situation. In fact, in the local Wirral newspaper only yesterday there was yet another article on the ongoing dispute, about a survey that exposed that two thirds of parents quizzed did not believe that the governors were managing the school well.

I have a series of questions for the Minister, which I hope will be of use. What plans do the Government have to ensure that disputes between a head teacher and a board of governors are resolved amicably, quickly and for the benefit of the whole school? In this particular school, the head teacher became ill, creating further complications and a greater impasse. How would the Minister seek to resolve such a situation? When governors and head teachers have disputes, is there not a need for the utmost transparency, including fully informing teachers and parents? As more schools are freed from the direct control of local authorities, do we not require a better balance of powers and responsibilities, and in a dispute should parents perhaps not have the ultimate say? Under what circumstances could a board of governors be dissolved and a new one created? What would be deemed to constitute a fundamental breach of governors' duties and obligations to a school? When would a school be deemed to be failing, allowing for intervention by the Secretary of State or parents? The meaning of "failing" appears to be vague, especially when dealing with a large and outstanding school, such as Calday Grange grammar, which might take many months to reach that criterion. Perhaps a drop in standards of certain kinds might constitute a failing.

Finally, I would like to take this opportunity to invite the Minister to the Wirral, to meet the staff and parents of Calday Grange grammar.

10.8 am

Guy Opperman (Hexham) (Con): I thank my hon. Friend the Member for South Swindon (Mr Buckland) for raising this subject for debate. The issue has been thought through well, and it is important in a week when we are trying to reassess education, bring a degree of change and bring things forward in a difficult field.

I know that many hon. Members are school governors; I confess that I have "failed" in that—I think that is the technical term. Some people would regard that as a deficiency in my background, but I regard it as an asset in some respects. I have spent the best part of 15 years attempting to advise school governors and head teachers, and have represented them on a special educational needs tribunal. When things got particularly feisty, I also represented the state and the individuals in a judicial review.

[Guy Opperman]

My last client, in spring of last year, was the then Secretary of State for Children, Schools and Families, the right hon. Member for Morley and Outwood (Ed Balls). I was co-defending with him in an action on this exact point: how school governors' role is being affected and how people are coming in and saying, "You're doing this wrong. How are you going to take it forward?" The way forward is vital, and I hope I can give the benefit of some wisdom regarding why changes should be made, how they might be made and what the context is in Hexham.

Hexham has four secondary schools, at Haydon Bridge, Ponteland, Hexham and Prudhoe. The constituency is vast, spanning more than 1,100 square miles. Haydon Bridge has probably the largest catchment area in that part of England; it is the size of the area within the M25, and is a huge superstructure that has to be taken in. It is one of the few secondary schools with a large number of boarders, because many students have too far to come every day. All those schools are struggling in different ways with a lack of investment. They are well supported by their governors and well led, particularly by school governors and head teachers, but attempting to introduce change is a struggle.

I lack experience as a governor, but I hope that my time at the Bar has helped me, as I fought for and against local education authorities, appeared on behalf of people who were suing LEAs and addressed various individual concerns. I could talk for a considerable period about the extent to which I have been involved.

My hon. Friend the Member for South Swindon—apart from his interesting analogy involving cake-baking, which I particularly enjoyed—asserted that the role and influence of school governors will take on new significance in the running of our schools. As we speak, heads and teachers are using academy or federation status to take their schools forward by reducing class sizes, improving the take-up of modern languages, targeting resources on the poorest and pioneering new disciplinary techniques. Surely it is now governors' responsibility to help newly liberated heads use their responsibilities and freedoms to best effect.

I do not want to be overly party political, but I have spent more than 13 years watching changes to school freedoms and responsibilities come before the courts to be decided. The legacy is a national curriculum—designed by ideologues and policed to a certain extent by bureaucrats—that has demoralised and demotivated our teachers and downplayed the vital role of knowledge. I applaud entirely what the Secretary of State is doing. Radical change was needed. The reforms to schools will put us where we need to be, which is unambiguously on the side of teachers as guardians of the best that has been thought and written, and who introduce each new generation to our precious intellectual heritage.

The head teachers of Hexham are nervous about applying for academy status. They have elected to watch the process during the original year, and perhaps for one more year, but I am hopeful that things will progress in the next couple of years and that they will go down the federation route. They are already integrated to a large extent: an art teacher might teach in one school and then go to another school for two days. They have opportunities. They are excited about the possibility of long-term change, but without changes to buildings as well, they will struggle.

This is not the time to discuss Building Schools for the Future, but the Secretary of State discovered the state of schools in Northumberland recently when he visited the constituency of the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith). One school was all but falling down. Two schools in my constituency, Prudhoe and Queen Elizabeth high school, are struggling. Those are long-term problems that the Secretary of State—my hon. Friend the Member for Brigg and Goole (Andrew Percy) put it beautifully—will have to deal with as we go ahead.

Turning back to school governance, governors' main responsibilities are providing a strategic view, acting as a critical friend and ensuring accountability. I see those as interwoven in all their activities. I was pleased to hear, when I asked about the pastoral support programme, that someone with a lot more experience of being a governor than me sees it as something that used to exist in the system, but was phased out. We must do the best that we can. Most governors have a direct interest in a school's success. Almost all are the type of person who is forced to get involved, and most either attended the school themselves or have children who attend it.

However, it is important during the reform process that we examine the model for school governance. We must consider how the governors' role might change as responsibility and power are decentralised from Whitehall and given to head teachers. It is a seminal change to take the large amount of power now in Whitehall and give it back to individual teachers. Teachers are excited. The ones I speak to are excited about the opportunity to take greater control.

The role of governors in holding heads to account will also take on a whole new meaning and level of responsibility. The process of examining their role is made easier by the fact that most are eager to know how they can be better at what they do. If the role of governor is to become much more crucial to a school's success, as I think it is, it is wise to consider who governors are and how schools attract them to the position. I endorse a huge amount of what my hon. Friend the Member for South Swindon said about taking governors on board and making ongoing use of them.

We cannot have top-quality schools without top-quality teachers, but that also requires top-quality school governors. We must continue to try to attract the best people to those roles. Must a governor always have attended the school in question, or have a child there? I do not consider that necessary, although it helps tremendously; sometimes, outside people are a good thing.

In these times, many people who might be interested in becoming more involved in the running of schools are put off by assumptions about why they want to. We must also be careful about whom we prevent from going into schools. There are ways to restrict governors' ability to get involved or commit to the extent to which they would like. School governors will often be new, and we will need the most competent individuals.

I finish by mentioning a couple of points relating to my specialism. Special educational needs provision has been under review for a considerable time. The hon. Member for North Durham (Mr Jones) and other

Members know what they are talking about when it comes to such issues; there are about five who know the issue well. We must retain SEN provision, but we can reform it. The amount of time devoted to SEN can be improved and be more focused. When the Minister winds up, I urge him to consider that SEN should be very much at the top of his agenda. If we fail the children who go into SEN, they will not be in as good a position as they could have been. The reality, therefore, is that the big society has a huge role to play in schools—or, should I say, that schools have the potential to play a huge role in the big society.

10.20 am

Mr Iain Wright (Hartlepool) (Lab): It is a pleasure to serve under your chairmanship again, Mr Dobbin. I congratulate the hon. Member for South Swindon (Mr Buckland) on securing an important debate. I recall how passionate and knowledgeable he was about special educational needs during our deliberations on the Academies Bill on the Floor of the House last summer. Indeed, he mentioned during that debate—as he has today—the role of the governing body in securing suitable provision. He has demonstrated that passion and knowledge again this morning and I thank him for it.

I also pay tribute to the high quality contributions from the hon. Member for Brigg and Goole (Andrew Percy), who drew upon his considerable knowledge of teaching and governance, and the hon. Members for Wirral West (Esther McVey) and for Hexham (Guy Opperman).

This has been a high quality debate and it gives us the opportunity to do several things. First, it enables us to thank governors throughout the country for their work in our education system. Secondly, I would like to build on some of the comments that have been made and ask the Minister with responsibility for schools about his vision for governors, governance and governing bodies as his Department radically alters education policy in our country.

As the hon. Member for South Swindon has said, there are more than 300,000 school governors at work today. Governors are one of the largest groups of volunteers and one of the best examples of civic engagement in this country. This quiet army of hundreds of thousands of people play an unheralded, and often unsung, but nevertheless critical, role in providing the best possible environment for children to grow and learn. At their best, governing bodies set the ethos and strategic direction of a school, appoint a great head teacher and a high calibre senior management team to drive through that strategy and provide support, and challenge and scrutinise the leadership team, holding it to account on behalf of parents and the local community. They have a big responsibility in our education system.

As we have heard, there is a clear relationship between governance and the performance of a school. Good governance improves the quality of leadership and management in schools, as well as that of teaching and pupils' achievements. Conversely, where there is poor or unsatisfactory governance, and where the relationship between the governing body and the head teacher has broken down—as the hon. Member for Wirral West expressed so vividly—pupil potential goes unfulfilled. Given the importance, therefore, that school governance plays in educational success, I am surprised that this Government have said so little about it.

In an education White Paper of nearly 100 pages, I counted only four small paragraphs on school governors, and one highlighted how the governing body could decide on the time of the school day. The publication of the White Paper was accompanied by a document, "The Case for Change", which provided a rationale for education reform, but did not mention the role of the governing body.

The recently published Education Bill has 79 clauses and 17 schedules, but I could find only two small clauses on the role of the governing body. Given the vital role that school governors play, I hope that the Minister will give a definitive reassurance that professional, passionate and high quality governors are an essential and valued part of our school system. I also hope that he will give the Chamber an explanation of why, in the first few months of the new Government, governors and school governance have been largely overlooked or ignored by his Department. I have several questions about specific parts of governance and the role that governors and governing bodies can play, and I hope that the Minister will be able to provide some answers.

On size, when the Government mention governing bodies, they invariably state that a smaller governing body is more effective. The White Paper notes:

> "Smaller governing bodies with the right skills are able to be more decisive, supporting the head teacher and championing high standards."

That may well be the case, but the Government do not provide any evidence to substantiate that assertion. Why would smaller governing bodies necessarily be better? Where is the evidence? How does the Minister reconcile that view with last year's advice from the ministerial working group on school governance—I think that the hon. Member for South Swindon cited this—that 14 members can be the optimum size of a governing body? Surely the effectiveness of a governing body is more complex than sheer size, and takes into account matters such as turnover of governors, blend of skills, participation and work load. If the Government's direction of travel is to reduce the size of governing bodies, what will be done to retain corporate memory and expertise? It would be much more difficult to do that if a governing body with five members, as opposed to one with 15, lost a member.

The hon. Member for South Swindon mentioned the importance of retaining and obtaining skills such as finance, personnel and so on. How will a school with a much smaller governing body be able to obtain all that much-needed expertise, which includes marketing and strategic planning? I will be interested to hear the Minister's response.

The vehicle to reduce the size of governing bodies is the Education Bill, which was published last week and is due to have its Second Reading next week. I imagine that the Minister and I will have lots of discussions about many issues in the Bill, but I should like to draw his attention at this stage to one clause in particular. Clause 37 refers to the constitution of governing bodies in maintained schools in England, and it will amend section 19 of the Education Act 2002. This change ensures that governing bodies will consist predominantly of parent governors and the head teacher of the school.

[Mr Iain Wright]

I have a number of questions about that. First, how is this approach reconciled with the sentiments expressed by the White Paper? It notes:

"Many of the most successful schools have smaller governing bodies"—

we have already established that that is what the Government think—

"with individuals drawn from a wide range of people rooted in the community, such as parents, businesses, local government and the voluntary sector."

That point was expressed eloquently by the hon. Member for Brigg and Goole, who has left to attend a Delegated Legislation Committee. What precisely is the clause designed to do to help encourage a diverse range of potential governors to come forward? Given that the ministerial working group on school governance concluded that governing bodies already have the flexibility to determine the best size for their school and for them, what does the clause actually do? What does it propose that the 2002 Act prevents?

The White Paper also states that from early 2012 the Government will allow all schools to adopt a flexible model of school governance, while ensuring that governing bodies have a minimum of two parent governors. Will the Minister further outline how he anticipates that to be undertaken? How will governing bodies do it? What will be the role of the head teacher? Will he or she outline to the governing body what they believe will be required, or will such a role be retained by the governing body? How will the process work?

Recruitment and retention are important and have already been touched upon. I think that the hon. Member for Brigg and Goole has already mentioned this, but some 11% of governor posts are vacant, and they are, disproportionately, in disadvantaged or inner-city areas. We have heard that schools with more vacancies on the governing body tend to perform more poorly due to the lack of challenge, scrutiny and support for the school's leadership team. What proactive steps is the Minister taking to ensure that vacancies on governing bodies, particularly in areas of deprivation, are filled?

The hon. Members for Hexham and for Brigg and Goole mentioned the importance of retaining and attracting good governors to governing bodies. Given the demands of modern life, what are the Government doing to recruit good potential governors? As the Government's focus on governance moves towards parent governors, does the Minister accept that the problems of recruitment and succession planning will increase because parent governors will inevitably leave after four or five years as their children move through the school? Parent governors might lose interest in being a proactive member of the governing body and leave that body. What does the Minister anticipate will happen about succession planning?

Common barriers to participation in school governance include lack of time, family or work commitments, lack of publicity and awareness of the opportunities for involvement, and a reluctance by some governing bodies to take on a governor who is not previously known to them. Will the Minister let hon. Members know what steps he is taking to remove those barriers as far as possible? Another important point mentioned in today's debate is that of having a federation of schools. Are the Government actively looking at having a federation of governing bodies, whereby a single governing body can play a strategic role for a number of schools? If the Government agree with that approach, what additional initial support and assistance can they provide to allow that to happen?

That brings me to an important point that creates a bit of a paradox in the Government's education policy—the hon. Member for Brigg and Goole was good at hinting at this during his comments. Education policy is moving towards a position whereby schools stand alone and are independent of the local authority. The move is arguably—although I would dispute this to some extent—away from Whitehall. I think that the Education Bill will centralise matters between schools and the Secretary of State in a way that we have never seen before. However, how can we reconcile a situation in which schools stand alone with the fact that the previous Labour Government, through the former Department for Children, Schools and Families, moved towards collaboration and partnership, with the local authority helping to provide a strategic overview? The local authorities were not running schools, but they were providing strategic direction in an area. What steps will the Government take to ensure that that collaboration and partnership at a school governance level can be maintained, if not enhanced?

I would also like to ask about training and induction. It is very arduous to become a school governor, particularly a good and effective one. What are the Government doing to ensure that individual governors and collective governing bodies identify any weaknesses and help plug those gaps, either with additional training, additional recruitment to the governing body or focused training? Does the Minister agree with the concept of mandatory training for governing bodies? The hon. Member for South Swindon mentioned the important role of the chair of a governing body. What additional support can be provided to enable the chair to perform his or her duty to the best of his or her abilities? He also mentioned the vital but often overlooked need to have a high calibre, knowledgeable and experienced clerk to the governing body. What steps will the Government take to ensure that that is also very much a key part of school governance?

When I was a Minister in the Department for Children, Schools and Families, I was concerned about the role of information, advice and guidance, and the importance of interaction between schools and the outside community, particularly with business. The governing body can, through the high calibre business men and women who are active on it, provide that good interaction. Particularly with regards to information, advice and guidance, governors can come into a school and provide real life stories based upon their personal experiences of inspiration and motivation. They can tell students how hard work can help people succeed and achieve their ambition. Given the changes to the information, advice and guidance provision, what further steps can the Minister take to ensure that that interaction between schools, the governing body and outside business works effectively?

Finally, I shall talk about the role of the head teacher in the governing body. May I press the Minister on whether he believes that automatic inclusion of the head on the governing body as a full member can constitute a conflict of interest? I think that everyone would agree that heads should attend governing body meetings and have a right to speak, be challenged and

scrutinise. However, does that important role of supporting the head teacher while at the same time challenging mean that good governance should lead us to make the head a non-voting member who does not participate in decision making? In a similar vein, will the Minister confirm that, as indicated by his White Paper and the provisions of the Education Bill, the Government do not necessary agree with the concept of staff governors?

In the past few months, the Government have spoken a lot about their vision for education and how teachers, head teachers, parents and others can play their part in fulfilling student potential and ambition. The fact that they have not highlighted the essential role of the governor is a glaring omission and a further example of weakness in their education policy. However, given the high calibre of today's debate, I hope that the Minister will rectify that now and highlight more fully than he has in the past how governors and school governance can play an essential role in the education system of our country.

10.35 am

The Minister of State, Department for Education (Mr Nick Gibb): It is a pleasure to serve under your chairmanship, Mr Dobbin. I congratulate my hon. Friend the Member for South Swindon (Mr Buckland) on securing this important debate on school governance. I know that the subject is close to his heart because he served as a school governor for four years prior to his election to the House. I join the hon. Member for Hartlepool (Mr Wright) in pointing out the high quality of the debate and of the contributions of my hon. Friends the Members for Hexham (Guy Opperman), for North Swindon (Justin Tomlinson), for Brigg and Goole (Andrew Percy) and for Wirral West (Esther McVey).

There are some 300,000 school governors, which makes them one of the largest volunteer forces in the country. School governors work in their spare time to promote school improvement and to support head teachers and teachers in their work. They are an important part of the big society agenda and play a vital civic role. In the words of my hon. Friends the Members for South Swindon and for Wirral West, they play a pivotal role in our schools system. Every one of the 300,000 school governors deserves our thanks for their work and time and, more importantly, for taking on such important responsibilities. We all know how difficult it is to find people locally to take on such responsibilities. It is easy to get volunteers, but there is often a poor show of hands when it comes to taking on responsibilities. We owe a huge debt of thanks to those who are prepared to take on such a role.

My hon. Friend the Member for Brigg and Goole is right to question whether we are doing things in the right way. Our White Paper, "The Importance of Teaching", which was referred to by the hon. Member for Hartlepool, was published in November and sets out the coalition Government's intention to increase freedom and autonomy for schools and to remove unnecessary duties and burdens. It also states that we should allow schools to choose for themselves how best to develop, whether by acquiring academy status, by becoming multi-school trusts and federations—again, those were referred to by the hon. Gentleman—or by continued development as a maintained school. All that is to be underpinned by clear accountability and strong and effective governance.

As we work through our programme of reform, those freedoms need to be extended to school governors, so that they are given the flexibilities, support and recognition they deserve. We know that the quality of school governance has a significant impact on how well schools perform. Good governance and leadership at school level are key drivers in achieving better educational outcomes. Academies provide examples of smaller, high-powered governing bodies that have demonstrated rapid improvements in standards. The arrangements for academy governance allow for greater flexibility in the number and category of governors than in maintained schools, while ensuring that essential groups, such as parents, are always represented. They are charities, so it would not be appropriate or right for us to prescribe the exact composition and size of their governing body. That flexibility is a popular concept and there are many differing governance arrangements in converting schools. They are now able to constitute their governing body to suit their school and local needs.

As my hon. Friend the Member for South Swindon will recall, maintained school governing bodies, which include foundation schools, are constituted under the stakeholder model. That model prescribes representation from groups with an interest in the school: for example, parents, staff—including the head teacher—the community, the local authority and the foundation or trust, where schools have one. The model goes on to prescribe the representation from each group.

We want to make it easier for schools to adopt governance models that work for them and which clearly hold the school to account. That is why the Education Bill, introduced by my right hon. Friend the Secretary of State for Education last Wednesday, includes provision to free up the constitution of maintained school governing bodies. We are legislating to provide that governing bodies will mirror the academies model and be required to have at least two elected parent governors and the head teacher, unless the head teacher chooses not to take up his position as a governor. Then, as the hon. Member for Hartlepool mentioned, they should be able to attend the governing body as the head teacher, but not as a full member of the governing body.

The church or foundation will still be able to appoint the majority of the governing body in voluntary aided and foundation schools. Other governors, such as authority governors, community governors, staff governors, partnership governors and associate members will be appointed at the discretion of the governing body, and in numbers determined by them. Academy governing bodies have built-in safeguards to prevent particular categories of governor from dominating the governing body; for example, staff governors cannot exceed one third of the total membership, and charity law prevents those connected with local authorities from having more than 20% of the membership. We will consider the effect of such restrictions in maintained schools, but we want to move to a less prescriptive model overall.

Mr Iain Wright: I apologise to the Minister if he is coming on to this point, but will he respond to an issue raised about the constitution of the governing body? The hon. Member for Wirral West (Esther McVey) made important points about how to identify failure in school governance and what will constitute failure. What will be the mechanisms by which a local authority or some other body—perhaps the Secretary of State—can determine change within the governing body?

Mr Gibb: If the hon. Gentleman will be patient, I will come to the detailed questions raised by my hon. Friend the Member for Wirral West shortly.

We do not intend to prescribe any particular model, which is the overarching policy direction, as we believe that governing bodies are best placed to determine what will work best for them locally. It is important to point out that the changes will be permissive rather than mandatory, and that there is no intention to force any change on governing bodies. We will therefore encourage governing bodies to recruit more governors on a skills basis and carry out skills audits to inform that task. Those were also the conclusions of the working group on governance referred to by my hon. Friend the Member for South Swindon and the hon. Member for Hartlepool. Its report recommended clear accountability and felt that size was not the key issue for a governing body; a more important issue for the report was the skills of the governing body. It recommended that governing bodies should be free to recruit by relaxing the stakeholder model, which is precisely what the Government are introducing in the Education Bill.

We know that volunteers from a business background bring a valuable range of skills from the workplace to governing bodies, and are more likely to take on important responsibilities such as chairing committees or, indeed, chairing the governing body. To that end, we will continue to support the School Governors' One-Stop Shop to recruit and place governor volunteers from the business world in schools with vacancies. That has been very successful: by the end of December it had recruited nearly 11,000 governors and placed them on to governing bodies with vacancies. In addition, the Education and Employers Taskforce is working with CEOs of large businesses to develop partnerships between schools, colleges and employers. It encourages senior business leaders to visit schools, and encourages staff with the right skills and experience to become school governors. In fact, I recently joined Sir Terry Leahy in a school in Hertfordshire during the "visit our schools and colleges" week.

Research tells us that where governing bodies are effective, they take a strategic role, as my hon. Friend the Member for South Swindon pointed out, in guiding and supporting the school's work and challenging further improvement. They should not get drawn into the day-to-day management that is rightly the province of the head teacher and senior leadership team. In the White Paper, "The Importance of Teaching", we set out a series of 10 key questions for governors to ask to assist them in setting their schools' strategic direction and holding them to account, such as, "How are we going to raise standards? Have we got the right staff and the right development and reward arrangements? Do we have a sound financial strategy to get good value for money, and robust procurement and financial systems? Does the curriculum provide for and stretch all pupils?" My hon. Friend is right to say that the committee-based decision-making structure is appropriate for our governing bodies. Governing bodies already have the freedom to bring people with particular expertise on to committees as associate members, and they can commission work from people outside the governing bodies.

My hon. Friend referred to the issue of complaints, on which I want briefly to touch. Parents should be able to send their child to school confident that they are receiving the highest possible standard of education. Any problems should be dealt with by professionals in an appropriate and timely manner. There must be mechanisms in place for parents to express their concerns, secure in the knowledge that they will be dealt with quickly, effectively and fairly by all involved. Since September 2003, all schools have been required to have a complaints procedure, and that procedure has to be published. Generally, schools follow a three-part complaints procedure: investigation of a complaint by a staff member; investigation by the head teacher, or by the chair of the governors if it is about the head teacher; and a meeting of a panel of governors where the complaint has still not been resolved. Governing bodies must act in the interests of the children in their school and must rigorously ensure that those who serve on complaints panels conduct a fair and unprejudiced investigation. Challenge is part of the governor's role, and a pattern of complaints can inform them of incipient problems in the school's operation, in the same way that correspondence with an MP can alert us to an impending big political issue concerning how our country is run.

As my hon. Friend the Member for Brigg and Goole brought out in his speech, in recent years schools have increasingly chosen to collaborate with other schools to achieve more for children and young people. Partnerships have taken a variety of forms, including local area clusters, as well as more formalised arrangements involving shared governance through federation, shared trusts and shared leadership, with heads taking responsibility for leading more than one school. The benefits of those partnerships are clear in extending the breadth and quality of provision; responding better to pupils' wider needs; widening the impact of the strongest school leaders, teachers and governors; widening opportunities for collaborative professional development; and delivering greater value for money. There is not a single, best collaborative model; instead, schools can consider a variety of models and adapt them to suit local needs and circumstances.

Mr Wright: On that point and my earlier remarks about a move away from partnership and collaboration in the school family towards schools going it alone, how does the Minister reconcile his comments with the provisions in the Education Bill, most notably clauses 30 and 31, where the duty to co-operate with the local authority and the duty to have regard to the children and young people's plan are abolished?

Mr Gibb: Legislation is not necessary to require people to co-operate. The best co-operation is engaged in because professionals feel it is the best approach for their school. We need to move away—the Government are moving away—from that tick-box, prescriptive and centralised approach to such issues. We believe that the best partnerships and collaborative arrangements are those that head teachers and governing bodies enter into voluntarily because they know they are in the best interests of their school. We do not want a school to feel bound to find a partner—in a behaviour partnership, for example—simply to fulfil a statutory requirement and to ensure that it has a box ticked when the Ofsted inspection comes.

My right hon. Friend the Secretary of State is always talking about collaboration between professional peers in our school system as a key to school improvement,

which is why we are tripling the number of national and local leaders in education. Peer-to-peer mentoring is the key. Professionals working together and spreading best practice is the better way to ensure improvement in our school system, rather than a series of prescriptive statutory requirements for schools and bodies to enter into partnerships with other bodies.

I turn to the general context surrounding the important points that my hon. Friend the Member for Wirral West raised about Calday Grange grammar school. She asked about resolving disputes between head teachers and the governors. All governing bodies have grievance procedures which they must follow to resolve complaints. She then asked how the situation can be resolved if the head teacher is ill, which is the case in this instance. The governing body is the employer, and it has to follow grievance procedures in cases of challenge over employment law. It needs to allow the head teacher to present his case, but he cannot do that, of course, if he is ill. That does not provide a solution but presents the legal framework around the current position.

My hon. Friend asked whether parents should be kept fully informed about what is happening during a dispute. Unfortunately, that is not always possible due to the need for confidentiality in some disputes. She asked whether parents should be allowed to decide the way forward. The answer to that is no, unfortunately. Parental views are represented on the governing body, but the governing body itself is responsible for the school. Of course, a responsible governing body should take parents' views into account and expedite the resolution of matters, particularly when they are of enormous concern to the parents.

My hon. Friend asked when a governing body can be removed. There are three circumstances in which that can happen: when Ofsted has put the school in special measures; when Ofsted has found that the school requires significant improvement; or when the local authority has issued a warning notice and the governing body has failed to comply with it, or failed to comply satisfactorily. I know that she is concerned about the issue. Lord Hill of Oareford and I have corresponded with the governing body and the local authority about the matter, and we would be happy to discuss it with her further, if she would find that helpful.

In conclusion, I want to take the opportunity once again to pay tribute to our school governors, who are the unsung heroes and heroines of our education system. We should thank them for their work, and I am pleased to do that. I am sure that the increased freedom and autonomy for governing bodies, allied with our reduction of burdens and bureaucracy, will make a huge difference to their work as they seek to raise standards in schools, and will enable better deployment of their time and expertise.

10.52 am

Sitting suspended.

Maternity Services

11 am

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I wanted to have today's debate on maternity services for three reasons. One is the confidential inquiry into intrapartum-related death, conducted by the Perinatal Institute in Birmingham in October 2010. Incidentally, its director is one of my constituents, which, of course, adds to the quality of the report.

Secondly, I vividly remember an article in *The Sun* during the election campaign in 2010, in which the right hon. Member for Witney (Mr Cameron) clearly promised 3,000 extra midwives. The third reason is last night's debate on the Government's health reforms. The three are unfortunately related.

I will begin with the report. An enormous amount of good work is being done in maternity services and provision, and the Birmingham women's hospital in my constituency provides excellent care. The west midlands should not feel that it is being singled out. It was simply the first area that took a good, honest look at what is happening and, therefore, has produced figures from which the rest of the country can learn. The west midlands is an area of huge diversity, both in income and ethnic background. Roughly speaking, it has 70,000 deliveries a year, which account for 10% of live births in England and Wales. It also has about 10% of babies who die from intrapartum-related causes—that is, events surrounding labour and child birth.

In 2006, the chief medical officer highlighted the fact that one of his areas of particular concern was intrapartum-related death. In a national report in the 1990s, that was continually highlighted as requiring more attention, but the figures did not show any particular improvement. For that reason, the Perinatal Institute decided to look at that area. We know that in politics to be described as "brave" sometimes means "foolhardy". However, in this case the institute was brave to look at the figures honestly. It looked at 25 cases that caused concern. The full report is available on the institute's website. It found that of those 25 cases, in four there was substandard care and different management would have made no difference to the outcome.

Lorely Burt (Solihull) (LD): As another west midlands MP—the Heart of England trust covers my constituency—I wonder whether the hon. Lady has noticed any problems with care of parents after neonatal death. I have the charity Stillbirth and Neonatal Death Society, SANDS, in my constituency—as I expect she has—and it is most concerned about the quality of care for parents following the death of a baby.

Ms Stuart: I have come across SANDS. The Heart of England trust did some work, which I will consider later, whereby it looked at midwives' case load and found it to be far higher than required. Incidents are spread across an area and each of us probably sees only one or two cases occasionally. The real problem comes when we look across the city and the west midlands. We should pay tribute to SANDS and its work and to the bereavement nurses it has now put in hospitals. They are in east Birmingham and in my patch. However, that is not good enough.

[Ms Gisela Stuart]

Coming back to the 25 cases, in four cases of substandard care, different management would not have made a difference. In five cases, it might have made a difference to the outcome, but in 16 cases, different management would reasonably have been expected to make a difference to the outcome. In other words, 84% of the deaths were considered potentially avoidable. The overall conclusion that the report reached looking at the west midlands was that many deaths were avoidable and need to be avoided. That is why we need to discuss this report and decide what to do about that.

This is not a particular west midlands problem; it is just that the west midlands has been the first to take an honest look.

Andrew George (St Ives) (LD): I raised the issue of the Perinatal Institute in Birmingham in a debate I led on maternity and midwifery on 2 May 2007. I spoke to Professor Jason Gadosi before and after that debate. What he said then, nearly four years ago, was precisely what he appears to be saying now: there has been a failure fully to monitor and interrogate what went on and to draw conclusions that might better inform the improved care, and avoid the perinatal mortality levels that still exist.

Ms Stuart: That leads me to my next point. We have clearly not come up with systems in the NHS that allow us to learn properly from mistakes when things go wrong. I fully accept that we have the NHS Litigation Authority, and that the NHS insures itself. We try to deal with negligence effectively and efficiently. However, there is still a mentality of institutions, when something goes wrong, closing in on themselves. I wonder whether we should look at the way the aviation industry deals with accidents. Fault is not allocated; the facts are looked at, and the real outcome is what to do as a result of the problem. Rather than understanding the errors that have gone further and further, we should consider what is to be done as a result.

Going through newspaper cuttings, I found one over Christmas about Good Hope hospital. There was a very unfortunate incident when a lady who had miscarried was left for four hours in sight of other patients. She complained to the hospital, which simply apologised and said it hoped to do better. Hoping to do better simply has not done us any good, if that experience is anything to go by.

It is not clear to me who has responsibility for this matter. In the current structure we have PCTs and strategic health authorities, where at least theoretically we could allocate responsibility. In the new NHS, who will do that? I will return to that point.

We need national maternity data sets that are much more standardised and allow us to make us comparisons across the country. That is not a question of money. Given that we are told that the NHS is one area that is ring-fenced, there is much we can do within existing provision.

I now come to the promise that the right hon. Member for Witney made during the election campaign. We all know what happens during elections; not keeping election promises is not particularly new. However, let us look at what he said in January 2010. Maternity and childbirth is an immensely emotive subject. It is not an illness; it is one of the most joyful events in life. In the majority of cases, a healthy baby is born and we try to keep the medics out of the process as much as possible. When politicians go into election campaigns and talk about maternity services—particularly when they do so in *The Sun*—it is a pretty toxic mix. The right hon. Member for Witney went to a maternity unit and said:

"Having a baby might be the most natural thing in the world."

Fine, I agree with him. He continued:

"Every parent wants...to give birth in a relaxed local setting, where they get the personal attention they need. So, why isn't that happening? It's because after a decade of constant reorganisation, Labour are giving us bigger and bigger baby factories where mums can feel neglected and midwives are stretched to breaking point."

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Will the hon. Lady give way?

Ms Stuart: I assume that the hon. Gentleman comes in on the bigger and better baby factories.

Daniel Kawczynski: The hon. Lady surely understands that after 13 years, the previous Administration had still not managed to achieve some of its long-term goals and aspirations. She almost indicates that the promises made by the Prime Minister should have been met seven or eight months into a new Administration. Given the state of the public finances, she must acknowledge that it will not be as easy to deliver on those promises as quickly as she—or I—would like.

Ms Stuart: I am sure the Minister will be grateful for that helpful intervention. However, have we not been told that the NHS is ring-fenced? That is how I understand it. Therefore, the financial argument really does not hold.

I would like to analyse what the Prime Minister said a little more. He went on:

"It doesn't have to be like this...First, we're going to create new maternity networks...Second, we are going to make our midwives' lives a lot easier. They are crucial to making a mum's experience of birth as good as it can possibly be, but today they are overworked and demoralised. So we will increase the number of midwives by 3,000. This is the maternity care parents want: more local and more personal. And under a Conservative Government, it is what they'll get."

Lorely Burt: As the Prime Minister said, the aspiration should be for more local and more personalised services. However, in my local hospital at Solihull, the full maternity service has unfortunately been downgraded as a fait accompli, and instead of 2,700 births a year, we are led to expect only 300. Does the hon. Lady agree that that hardly offers the choice, localism and personal service that we should seek to achieve anywhere in the country?

Ms Stuart: I will respond to that point before returning to my favourite subject of the Prime Minister's promises. The hon. Lady is right: there is always a huge tension between local and more centralised delivery. My first Adjournment debate in this Chamber as a junior Minister was about the closure of the William Courtauld maternity unit in Braintree in Essex. It had about 300 deliveries, and there was always a tension about whether services should be offered there or in Colchester. We need both. However, when campaigning to keep local maternity units, we should note that the Royal College of Nursing looked at changes in maternity care. It stated that, apart from the rise in numbers, there are more older mothers with higher rates of complications, and there is a higher

rate of multiple births and more obese women who are less fit for pregnancy. More women survive serious childhood illness and go on to have children, and they need extra care during pregnancy and childbirth. There are also increasing rates of intervention.

Therefore, apart from social and ethnic diversity, some births are becoming increasingly complicated. If the hon. Lady were to go to the Birmingham women's hospital, where women who have had heart transplants give birth, she would see that a safe delivery might require not only the expertise of the women's hospital, but that of the Queen Elizabeth hospital next door. There is always a natural tension between localism and the best care. The real answer is that we need both.

Andrew George: The hon. Lady makes a balanced case. However, the previous Government also promised thousands more midwives and failed to deliver on that. Is there is a general cross-party agreement that the choice of a home birth should be available, where that is a precautionary safe option and as far as it is possible to predict what is likely to happen during birth? Under such circumstances, two midwives are needed on site. In the "baby factories" that were mentioned earlier, the efficiencies that can be achieved are greater. If more home births are to be serviced and supported, even more midwives will be required.

Ms Stuart: They will indeed. I may risk alienating my own party a little here. Home birth is one of those nice, idyllic and romantic ideas, but, frankly, when I had my children I would rather have had a small cottage hospital with a safe delivery, where I left for home after 24 hours, knowing that if I needed care it was on hand. Home births are probably not as romantic as people think they are.

Let us return to whether the Prime Minister meant what he said. He spoke of an increase in the number of midwives of 3,000. When the Royal College of Nursing challenged the Government, an unnamed Conservative spokesman said:

> "There must of course be enough midwives to meet the demands arising from the number of births. The commitment to 3,000 midwives made in Opposition was dependent on the birth rate increasing as it has done in the recent past. It was not in the coalition agreement because predictions now suggest the birth rate will be stable over the next few years."

Let us analyse the words

"enough midwives to meet the demands".

We all agree with that. However, if one looks at the planning tool, Birthrate Plus, which estimates how many midwives are needed, and calculates the number nationwide, when that promise was made, according to that tool, there was already a shortage of 4,765 midwives. Even the promise of 3,000 fell short and far more midwives were needed.

The spokesman said that the commitment made in opposition depended on the birth rate increasing. However, nothing was said about that in the article in *The Sun*. Furthermore, if we look at the only figures that were available at the time the promise was made, they did not suggest any such thing—indeed, they suggested the opposite. The promise is not in the coalition agreement, but the newest figures were not available until long after that agreement. Therefore, there is no proper excuse. It is not about money, and the birth rates that were predicted were not happening. The figures were not available, and I would like to hear why that promise was not in the coalition agreement. It does not stack up.

I can conclude only that when the Prime Minister made that statement, he did not mean it. It is callous to do such things. Maternity and childbirth are sensitive issues, and if something specific is promised during an election campaign, that promise should be kept. I shall return to maternity networks later.

I am not alone in this view—I am not making it up. In November last year, the country's leading midwife, Cathy Warwick, accused the Prime Minister and the Health Secretary of risking the safety of mothers and babies by backtracking on their pledges to hire more NHS midwives. She said that she was

> "extremely disappointed...Both coalition parties supported a commitment to more midwives, now they have apparently changed their minds, and yet the economic situation was well-known before the election."

Not only was the economic situation well known, but NHS funding is ring-fenced. The money argument does not stack up. She went on to say that she had encountered a "deafening silence" from the Government when she asked whether they intended to honour the pledge. That is a broken promise.

Let us look at where we should go from here. If the record shows that figures on maternity have not improved for 20 years, we need to make some progress. There is a strong association between deprivation and stillbirth as well as infant mortality. The index of multiple deprivation for the west midlands between 1997 and 2007 gives an overall score of 29.9. In Sutton Four Oaks—Sutton Coldfield, the royal borough, still has not quite come to terms with being part of Birmingham—the score was 10.5. Washwood Heath, which I think has the highest unemployment in the country, has a score of 65.1. In my constituency, the area of Bartley Green has a score of 40.3, while in Harborne it is 24.7. However, after the slight boundary reviews that remove the Welsh House Farm estate from Harborne, I expect that figure to be higher. There is a real link between deprivation and stillbirths and infant mortality. Those areas need far greater numbers of midwives to deal with the case load.

That highlights the fact that reducing perinatal and infant mortality is part of public health. That cannot be addressed just at GP level, and it requires a far wider view. As we still do not have national standards for collecting data, we are not even able to say to pregnant women how well the service is doing. That is why the Prime Minister's promises matter. If we want to create the big society, and if we are all in this together, we need to strengthen commissioning, which needs to go far wider than the current structure. The current commissioning is weak, and from what I heard last night, it will only weaken further. We do not even know how well we are doing, and we are now talking about GP-led commissioning—leaving it to the professionals.

In yesterday's edition of *The Times*, the Prime Minister said, "The NHS will sicken unless we modernise". For the moment, I will leave the use of English—"the NHS will sicken"—to others to comment on. The Prime Minister goes on to say that he wants to debunk five myths. He says:

> "The fifth and final myth is the most important: the suggestion that patient care will suffer. The opposite is true. Our changes draw on some simple logic: that professionals, not managers or

[Ms Gisela Stuart]

politicians, are best placed to understand the needs of patients. Couple that professional freedom for doctors and nurses with choice and transparency for the patient, and you get a mix that will expose poor performance and drive standards up."

Will it really? What if the professionals are not doing a proper job? If we do not have the nationwide data that allow us to tell them whether they are doing a good job, it is not only the professionals who are not aware of whether they are doing a good job by comparison. The patient will not know that, either, and they will take the care that they get. How many of us have had feedback relating to hospitals in which the hospital's performance was based on whether people thought that the food was any good? Although that is important, it tells us little about clinical standards. I am sure that the parents of those babies who died where better care would have made a difference would not have been aware of that, because what are the comparisons?

Andrew George: I do not want us to repeat yesterday's debate on the Health and Social Care Bill. I took part in that debate, and my position on that Bill is reasonably well known. However, on the substance of the case that the hon. Lady is advancing, I fear that if we are going to be trading promises made by the previous Government on maternity care that were not delivered and similar promises made by a party leader that may or may not be delivered, we will not get what I hoped that we would get from this debate, which is a recognition that midwifery is under-resourced and that we should all be working together to acknowledge that we are putting a lot at risk. That includes the fact that we have high levels of litigation. If the bill of £1.4 billion that was apparently expended last year in meeting the costs of litigation in obstetrics were brought down, one could invest in the very services where such high levels of litigation arise.

Ms Stuart: The hon. Gentleman is absolutely right. That is why I have said that one of the things that we need to move to is much more serious consideration of no-fault investigations where something has gone wrong.

I return to the point that areas of higher deprivation that have high infant mortality rates require much higher numbers of midwives than areas of lower deprivation. There is no getting away from that. I am rather sad that the Perinatal Institute's report on community midwives is not ready for publication yet, but I will not be surprised if it finds that the case load of the majority of community midwives is too high and that they regularly work more hours than they are contracted to do. There are no national standards on the accepted case load for a midwife, but professional opinion is that the figure is about 110. The Heart of Birmingham Teaching primary care trust has found that case loads are about 150.

The question is what the right figure is in areas of deprivation. Strictly speaking, Bellevue is in the Edgbaston constituency, but it borders Ladywood. A two-year study there looked at case loads of 60 to 70. The sample was too small, but there is a link between deprivation and infant mortality, and deprived areas therefore require higher levels of midwife input than other areas, which cannot be picked up by GP commissioning. In the case of the west midlands, it certainly requires a Birmingham-wide view, if not a west midlands-wide approach to commissioning, because it is a public health function as much as anything else.

Andrew George: The hon. Lady is being extremely patient in allowing me to intervene. I want to support the point that she is making. The anecdotal information that I have been picking up from midwives is that a high number are, at the pinnacle of their career, retiring as a result of stress, because of the pressure placed on them. There are unreasonable expectations of them in the case load that they are expected to undertake. Those are some of the best people, who are able to contribute the most to their local community and to the health service, yet we are losing them from the service as a result of poor staff management and the fact that they are expected to work under tremendous stress.

Ms Stuart: Indeed. If we look at the findings of the work force assessment conducted by the Royal College of Midwives, we see that the hon. Gentleman is absolutely right. The issue is not only that we are short of midwives, but that many midwives leave early or are coming up to retirement, which is really worrying. There is no doubt that we need to strengthen the work force.

I want to bring all the strands together. We are told that the new health service will give the patient the say, and we are trusting the professionals to know better than the politicians and the managers. My argument is that, in some areas, the professionals themselves clearly do not know how well they are doing, and it is about time that they did—when they find out, they need to put in place mechanisms to put things right. Unless we have standardised maternity data that allow us to make comparisons across the country, the professionals, even if they are willing to do so, will not be able to respond.

The third point is that patient choice sounds really good, but in some areas of deprivation—we have them in Birmingham—the question of choice is something from fantasy land. People just want decent services. To say to them that they are driving up choice is an absolutely ridiculous aspiration. Even if all the other things were to happen, midwives on the ground are so utterly overworked that they would have very little time to drive forward the improvements that would be made.

I can see that the Prime Minister's vision of the new NHS will work perfectly well in Sutton Coldfield and in parts of Solihull, but not all of it. However, it will not work well in our big cities, where we need far stronger, coherent commissioning. I have four questions that I want the Minister to answer. First, the report from the west midlands is exceedingly important. What steps will she take to ensure not only that there is data gathering but that the lessons will continue to be learned not only in the west midlands, but throughout the rest of the country? I am referring to standardised data gathering and standardised analysis, so that we can get a true picture of how well the service is doing and so that we reach a position in which, when we ask how well we are doing, the professionals can answer that.

On my second question, I am fully aware that it takes x years to train nurses, midwives, doctors and consultants, and we have to start down the path of training them at some stage. Will the Minister therefore tell us whether the promise of 3,000 midwives was contingent on birth rates? If it was, can we say that it is no longer on the table? If it is on the table, what steps are being taken to start training and recruiting those midwives, on top of retaining the current ones?

My third question is about the Prime Minister's second promise in the article in *The Sun*, which related to maternity networks. What are they? Where are they? Will the Minister spell that out precisely? She looks rather surprised, but when I expressed my surprise about these new maternity networks and wondered exactly what they were, the professionals came to me and said, "It would be really helpful if the Minister could spell out during the debate precisely what these networks are and where they are." If I am being accused of ignorance, I plead that I am not alone in my ignorance.

My final question is the one that ultimately troubles me most. We are breaking up the units in the health service and moving down to GP commissioning—I have to say that I have far less faith in the universal wisdom of GPs, as opposed to other medical professionals—so how will everything hang together? There are pretty good GP groups in south Birmingham, and they will probably make the new arrangements work, as will some of the groups in other parts. However, in the areas with the highest deprivation and need, where people will be least able to exercise choice or make their demands known, I simply cannot see GP commissioning delivering for people on the ground.

Whose responsibility will it be to ensure equity in maternity care across regions? At one stage, there were thoughts that maternity commissioning should still be a national service, like the specialist commissioning services, but I gather that that is no longer the case. A fair number of MPs from Birmingham and the west midlands are present, so will the Minister explain which body will ensure in those areas that the findings in the Perinatal Institute's report and the consequent actions are brought together and rolled out so that we receive better care?

11.32 am

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I congratulate the hon. Member for Birmingham, Edgbaston (Ms Stuart) on securing the debate. Maternity services are an extremely emotive issue. When my daughter, Alexis, was born at the Royal Shrewsbury hospital, it was the most emotional day of my life. As a non-smoker, I smoked two packets of cigarettes that day.

I pay tribute to the hospital's staff, whom I found extraordinarily professional, hard-working and dedicated. However, there has been a lack of funding for maternity services in Shropshire hospitals over the past 13 years. The hon. Lady talked about broken promises, and I want to highlight my concerns about the huge inequality in funding for maternity services around the United Kingdom. I sometimes go to Birmingham and I see the hospitals there, and there are huge differences between the quality of the buildings, equipment and resources in Birmingham and the quality of those in Shrewsbury and rural shire counties.

The Royal Shrewsbury hospital covers not only Shrewsbury and the whole of Shropshire, but the whole of mid-Wales, and I hope that my hon. Friend the Member for Montgomeryshire (Glyn Davies) will have the chance to explain the benefits of the maternity services for his constituents. The population of Shropshire and mid-Wales is not that much smaller than the population of Birmingham. Yes, the populations of those areas, even when combined, are smaller than that of Birmingham, but not by much. However, we have only two hospitals to cover our whole area. I am not sure how many hospitals there are in Birmingham. The hon. Lady said that there was a hospital for women's services in Birmingham. My goodness, I wish we could have a hospital dedicated to women's services covering my county and the whole of mid-Wales. I will find out how many hospitals there are in Birmingham, but I want to stress that my county lacks facilities.

As a result of the debate, I am also going to research the outcomes in Shropshire and mid-Wales versus those in Birmingham and to look at the resources that both receive. From all the league tables I have seen, many of the outcomes in maternity services are better in Shropshire than they are in Birmingham. Why is Shropshire so far ahead of Birmingham in the league table when it gets a fraction of the resources? The hon. Lady seemed to imply that greater resources needed to be provided, but I would say that we need to learn from Shropshire how it manages to provide such excellent maternity services when it receives such limited funding compared with Birmingham. When I have done that research, I will send it to the Minister.

During the 13 years of the previous Labour Administration—I briefed the Minister on this last night—there was a chronic lack of funding. I am not embarrassed to say that I think the previous Government deliberately targeted inner-city Labour areas with investment and deliberately stripped it from rural counties, which are predominantly Tory. That was done in a political way to put investment into Labour heartlands, and although the hon. Lady won her seat because she is an assiduous and hard-working MP, many other Labour MPs were re-elected because of that direct channelling of resources into Labour inner-city areas at the expense of rural shire counties.

As a result of that chronic lack of funding for Shropshire, a consultation is under way on proposals for a mass reconfiguration of maternity services. That will see in-patient children's services and consultant maternity services move from Shrewsbury to Telford. My constituents expressed extreme concern about that at a public meeting on Sunday, as they have over the past few weeks. In the six years that I have been an MP, I have never received as many e-mails, telephone calls and letters from concerned parents, clinicians and GPs as I have over these reconfiguration proposals—there is a lot of concern.

I should stress that I expect any proposals put forward by local hospitals and primary care trusts robustly to meet the stringent tests set out by the Secretary of State for Health in relation to support from GP commissioners, public and patient engagement, clinical evidence and patient choice. If those stringent criteria are not met, I very much hope and expect my local council's overview and scrutiny committee to refer the proposals to the Secretary of State, in anticipation of their being reviewed by an independent reconfiguration panel.

Today, I will write personally to all the GPs in Shropshire to find out their views about the reconfiguration proposals for maternity services, rather than being told by the PCT or the chief executive that GPs are in favour of them. If they are against the plans, I will share that information with the Minister, and I hope she will support me in challenging them.

Yesterday, I had a meeting with the deputy general secretary of the Royal College of Midwives, Louise Silverton, who has promised to help me get the Royal College of Midwives involved. I will also write to the

[Daniel Kawczynski]

Royal College of Obstetricians and Gynaecologists to find out its views. I have spoken to the Minister, who has kindly agreed to meet me and a delegation of concerned constituents so that we can raise these issues with her.

I do not want to speak for too long, because I hope that my hon. Friend the Member for Montgomeryshire will get a chance to speak. I would not wish a reconfiguration of maternity services on my worst enemy. It is turning my hair grey and I am extremely upset about it. I am cognisant of the views of my constituents and I want to stress that they are very concerned at the prospect of Shrewsbury losing maternity services. People expect maternity services to be ever closer to them, not further away. Our services cover the largest landlocked county in the United Kingdom, with a vast rural expanse, as well as the whole population of mid-Wales, and we hope and expect that maternity services will stay in Shrewsbury and not be moved to the extreme east of the county, to Telford.

Andrew George: I do not want to intrude on concerns about reconfiguration in Shropshire. However, on the basis of yesterday's debate, the Government's intentions and the principle of "No decision about me, without me"—as well as the intention, at least, under the proposed Government health reforms, that many decisions will in future be made by communities working through their health and well-being boards with the GP commissioning consortia, and with the political support of the Government—presumably the community and GPs in Shropshire have a greater say in the present culture than they might have in the past. I should have thought that my hon. Friend might be reassured by that and would not necessarily need to get Ministers involved in the dispute.

Daniel Kawczynski: Yes, I concur with a lot of what my hon. Friend has said. However, I listen to members of the public, because I am directly accountable to them as their Member of Parliament, and often my voting and other decisions are affected by them. There is a bond of accountability between each one of us and our constituents. Unfortunately, chief executives and managers of trusts and PCTs do not necessarily have that bond of accountability. They are here one minute and gone the next. That is the problem. Many of my constituents are trying to engage in the consultation process and put questions directly to the PCT and chief executive, but they are not getting answers. I should like the Minister to be aware of that. If the Government are putting forward public and patient engagement as a stringent criterion of whether a reconfiguration of service should go ahead, it is important that the Secretary of State should have confidence that that aspect of the process has been fully and robustly carried out. My understanding is that the only method of referral is by the council's local overview and scrutiny committee, but if the council is not minded to do it, what can local people who still have concerns do?

I have been approached about extraordinarily emotive cases, involving women who have major issues to do with maternity and paediatric services. They are very emotional about the prospect of those services being moved away from their community. I want them to be heard.

Ms Gisela Stuart: An important thing we have learned in the past 15 to 20 years is that when it comes to extremely complex and difficult clinical cases, a hospital must perform a particular function a minimum number of times if it is to be at its clinical best. Some of the hon. Gentleman's constituents will end up in Birmingham. He questions why Birmingham has received investment, but it is because we provide national centres of excellence. Some of the mothers from his area will come to the women's hospital because their case is so complex that only the women's hospital can deal with it. There can be only two or three centres in the country able to provide that clinical excellence. There is always that tension between the local and the centralised.

The hon. Gentleman is unhappy about the reconfiguration, but does he have an objective assessment of how good, clinically, his area's maternity services are? He may feel good about them, but does he have a professional assessment of whether they could be better?

Daniel Kawczynski: That is a very good question. The chief executive of the trust and the PCT and many others believe that there must be a reconfiguration and specialisation at both hospitals. The argument is that without it, we shall lose services, which will go out of the county. We shall not get our NHS trust foundation status and services will be moved out even further away. That is the gun being pointed at my head—not to rock the boat too much on this issue, because there is the possibility of services moving away. I understand that. I feel that the maternity services at the Royal Shrewsbury hospital are good. When my daughter was born there I found the services tremendous. Speaking emotionally, obviously I want them to stay in Shrewsbury. I understand that we must have the reconfiguration debate and that the professionals and clinicians must make the decision, and that is why I shall write to local GPs and consultants to gauge their views. I shall keep the Minister informed.

I congratulate the hon. Member for Birmingham, Edgbaston on raising an important issue, and look forward to hearing what the Minister has to say.

Jim Dobbin (in the Chair): I call the shadow Minister.

Glyn Davies (Montgomeryshire) (Con): May I speak?

Jim Dobbin (in the Chair): I was waiting for you to rise.

11.46 am

Glyn Davies (Montgomeryshire) (Con): Thank you, Mr Dobbin. Clearly there are one or two procedures of the House that I am not yet wholly familiar with, and one of them is rising to speak in Westminster Hall. I will not forget that again, because I would have been quite miffed not to have the opportunity to speak in the debate. I am very grateful and shall always remember with fond memories my experience of speaking while you are in the Chair.

Jim Dobbin (in the Chair): Make sure you put that in your memoirs.

Glyn Davies: I congratulate the hon. Member for Birmingham, Edgbaston (Ms Stuart) on the timely raising of a hugely important issue. She asked important questions. I am looking forward to hearing the Minister's response as, I am sure, are other hon. Members.

I can reassure the hon. Lady on one point, because my wife and I had four children—well, my wife had them—and they were all born at home. That was because of the added reassurance it gave my wife. Clearly, had there been any difficulties there would have been a transfer to hospital. The births were not at our home, but our in-laws' home, which was very near the hospital—we wanted some reassurance.

The context in which I want to speak is cross-border services. It is relevant for several services, including maternity. My constituency is in Wales and health is a devolved issue. The commissioning of maternity services is clearly a matter for the Assembly Government, but because there is no district general hospital in my constituency or, indeed, anywhere in Powys, consultancy-led maternity service provision is in Shropshire. I therefore have a particular interest in the changes taking place over the border there.

The debate is timely because of the consultation document, "Keeping it in the County", which my hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) mentioned. The local trusts are having to respond to pressure—not just financial pressure, although that is clearly an issue. There are two district general hospitals in Shropshire and the population is not really sufficient, given all the other considerations, to support them both. In addition there are the implications of the working time directive, and the specialisation that now exists among consultants. There is the added difficulty of accessing consultants from overseas, and there is greater expense in delivering specialist services at two hospitals. We have almost reached the stage of it being difficult to reassure everyone that services at these hospitals are clinically safe.

I support the principle of reconfiguration, the three most important aspects of which are consultant maternity and obstetric services, paediatric services, and trauma A and E. Those cover three highly contentious and emotional matters, and people have strong opinions on them. Today, I shall refer to consultancy-led maternity services.

My concern is that the proposals were prepared without sufficient consideration for mid-Wales. They were prepared in the context of Shropshire, and that is a huge problem. I was a member of the National Assembly for eight years. I accept that Wales is devolved, and I am most supportive of a strong and effective Assembly, but we do not want a barrier growing between Wales and England, rather like a Berlin wall along the line of Offa's dyke. When it comes to specialist services, we remain dependent on England, particularly for consultancy-led maternity services.

The proposals suggest that consultant obstetric services will be moved from the Royal Shrewsbury hospital to the Princess Royal hospital in Telford. As my hon. Friend, the assiduous and hard-working Member for Shrewsbury and Atcham, pointed out, that is causing huge concern—and not only in Shropshire but in mid-Wales. There will be three public meetings over the next three weeks. I expect hundreds to come along, and the main issue will be the provision of maternity services.

The Royal Shrewsbury hospital is just over the border from mid-Wales. All the traditional pathways from there have been to the Royal Shrewsbury. We are used to it, and it is relatively close. Nevertheless, mothers from many parts of my constituency have to travel for an hour to get to the Shrewsbury hospital, but if consultant obstetric services are moved from Shrewsbury to Telford, we are talking about another half an hour. That is causing massive concern.

I support the principle of reconfiguring the two hospitals in Shropshire. The general principle is that instead of having two district general hospitals struggling to survive in the current environment, we have one hospital that is in effect on two sites. That probably is sensible, and I would support it. However, I want the proposals to take account of the whole catchment area of the Shropshire hospitals. Devolution should not rule out mid-Wales from those discussions, as it depends on hospital services in Shropshire. That principle is particularly important to my constituency.

I shall express my view at the public meetings. I want the proposals to be changed. In a sense, it is selfish to argue the case for our constituencies, but we inevitably do so. I do not want services to be moved to Telford. If we were satisfied that that was the only answer, we would reluctantly accept it. As it is, all my constituents will rise up and say that they are not satisfied. They believe that the decision is based on convenience and political balance in order to attract support, and that this is not being done in the best interests of all who live in the catchment area of those hospitals.

11.54 am

Emily Thornberry (Islington South and Finsbury) (Lab): I want to make three points about the provision of maternity services. The first is about the provision of extra midwives, the second is on the question of Sure Start and the third is about health visitors.

It seems to me that maternity and antenatal services are provided not only at birth; they are also post-natal services, and new mothers rely upon them strongly. I had two babies under a Conservative Government and one under a Labour Government. At none of those births did I believe that there was sufficient investment in maternity services. That situation continues.

During the last three years of the previous Labour Government there was a massive increase in investment in maternity services, and a new strategy was put in place. Unfortunately—perhaps fortunately—that coincided with a great increase in the birth rate. There was increased investment in maternity services; for example, the number of midwives rose in 2007 by 624, in 2008 by 571 and in 2009 by 787. However, that coincided with one of the largest rises in the birth rate. Being able to keep up with the increase was a problem.

We passed the baton on to this Government. They must build on our achievements and not let us down. We need to continue working on maternity services. Through an article in *The Sun*, the public heard loud and clear that the Prime Minister was promising 3,000 extra midwives. The fact of the matter is that 3,000 extra midwives would in any event not make up for the shortfall in their number. Even if the Government were to provide 3,000 extra midwives, we would still need at least another 1,700. The problem is that, having made that pledge and promise, the Government seem to be going back on it.

A spokesman gave this pledge on behalf of the Government:

"There must of course be enough midwives to meet the demands arising from the number of births."

[Emily Thornberry]

The Royal College of Midwives agrees; it calculated the national England-wide shortage of midwives in 2009 to be 4,756. If, as the nameless Conservative spokesman says, we should have enough midwives to meet demand, we need more than 3,000. The spokesman then said:

"The commitment to 3,000 midwives made in Opposition was dependent on the birth rate increasing as it has done in the recent past."

My hon. Friend the Member for Birmingham, Edgbaston (Ms Stuart) asked—she put it so beautifully—what was his starting point? What did he mean? The whole piece was written in the present tense. Midwives are stretched to breaking point. They are overworked and demoralised, but the increase in the number of midwives was contingent on a continuing rise in the number of births.

The spokesman's next excuse was this:

"It was not in the coalition agreement because predictions now suggest the birth rate will be stable over the next few years."

The veracity of that statement does not stand up to proper analysis. There has not been a prediction since the Prime Minister made his pledge, so we do not know what the difference would be. If improvements are made, we need to continue to build on them. I suggest that the Government are letting everyone down.

Ms Gisela Stuart: I have some figures on the future of the midwifery work force. The Department of Health document "Midwifery 2020: Delivering expectations" states:

"The midwifery workforce across the UK is ageing with 40%-45% of the midwifery workforce reaching the current retirement age in the next ten years."

In other words, even if we stand still, we will undermine midwifery as a result of the fall in the work force.

Emily Thornberry: I respectfully agree with my hon. Friend. In a moment, I shall be speaking about another part of the work force, health visitors. They suffer exactly the same problem. The majority of the work force is over 55. It is important to retain such valuable and experienced people—they are mostly women—but we cannot increase their number if we continue to lose existing staff at the current rate.

According to the Library, the number of births in the UK was projected to fall in 2009-10, in 2010-11 and in 2011-12. If the Prime Minister's pledge was based on the latest birth projections, perhaps he expects to cut the number of midwives. That is clearly nonsense. We need to consider what is needed and ensure that it is fulfilled.

My hon. Friend the Member for Birmingham, Edgbaston made a devastating analysis of the difficulties that will be caused by the changes the Government propose. How can we make forward projections and how are we to manage the national health service if we give NHS commissioning to doctors? They will simply consider the needs of the local area and not our national needs.

In passing, may I briefly touch on the important issue of Sure Start? During the election, the Prime Minister claimed that Labour was scaremongering when we said that there would be difficulties in relation to Sure Start. He said:

"Yes, we back Sure Start. It's a disgrace that Gordon Brown has been trying to frighten people about this."

The Under-Secretary of State for Work and Pensions, the hon. Member for Basingstoke (Maria Miller), then the shadow Minister for the family, said:

"It's unforgiveable that Labour has used the tactics of creating fear and anxiety amongst families and Sure Start staff".

[Mr Roger Gale *in the Chair*]

The Minister of State, Department for Education, the hon. Member for Brent Central (Sarah Teather), has said:

"Sure Start is at the heart of our vision for early intervention"

If that is true, why did the charities 4Children and the Daycare Trust find out that 250 centres, which serve 60,000 families, are certain either to close or be earmarked for closure? There are 3,578 children's centres in England, 3,100 of which have been told that their budgets will be cut this year. About 2,000 services will be cutting their services as a result. The findings are based on responses from almost 1,000 Sure Start managers to a questionnaire sent out by 4Children and the Daycare Trust.

It is hugely important for a new mother to be able to find a friend, get guidance and go to a children's centre. Nevertheless, centres offering such services are being cut. The other friend that mothers need is the health visitor. Again, when the Prime Minister was in opposition, he made a big thing about increasing the number of health visitors:

"The substantial increase in the number of health visitors will mean that families get more support—from properly trained professionals. Health visitors will be able to spend time with families, have the opportunity to spot parenting issues, and build the trusted relationships needed to help with them. For instance, if they feel a mother is not bonding with her baby, and recognise the cause as post-natal depression, they might gently recommend that she visit her GP, or steer her towards a local counsellor."

He was absolutely right; no one can disagree with that. However, when I met London health visitors from the Community Practitioners and Health Visitors Association earlier this year, they told me that there was a huge problem in recruiting new health visitors. They were losing a lot of older, experienced staff through early retirement. Nearly a third of health visitors in London are over 55 and they have dangerous work loads. In some cases, there are more than 1,000 children per five health visitors. That is four times higher than Lord Laming—the writer of the Baby P and the Victoria Climbié reports—recommended. His recommendation is for health visitors to have a quarter of their current work load.

In an area such as London, which is very demanding, current work loads are dangerous. We need more health visitors. The Government recognise that a health visitor should have no more than 250 children under five and no more than 100 in highly vulnerable areas, as was recommended by Lord Laming and the Community Practitioners and Health Visitors Association. Will the Government consider that recommendation when they look again at how many health visitors are needed?

When I asked the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), whether the Government would take responsibility for recruiting and training the extra 4,200 health visitors promised, the answer I received was odd. She said that she will learn from the decisions on the case loads and they will be "locally determined". In the same answer, she says that the Department is shortly to publish plans to

"conduct a demographic and geographical analysis to establish location and population need and match with trainees and training

places; and ensure positive correlation between work force growth and population need."—[*Official Report*, 27 January 2011; Vol. 522, c. 460W.]

On the one hand, the Government say they will look nationally and decide what the need is, and on the other they say that it will be left to localities to decide. We really cannot have it both ways. What we have is a lack of health visitors.

Daniel Kawczynski: The hon. Lady talks about the need for more health visitors and staff and maternity services. If there were a Labour Government, the NHS would not be ring-fenced and there would be cuts in the NHS budget. Only our party has promised to ring-fence the NHS budget. How can she promise additional services when there would have been cuts in the NHS budget under Labour?

Emily Thornberry: Although the Government have said that, in principle, there is a ring fence to the NHS budget, a closer analysis will show that that is not true. The real position is that there is double-counting of over £2 billion—

The Parliamentary Under-Secretary of State for Health (Anne Milton): *indicated dissent.*

Emily Thornberry: The hon. Lady is welcome to intervene if she wants to get into an analysis. The Government's promise of a ring fence and a year-on-year increase in the NHS budget is one that does not stand up to scrutiny. There is double-counting going on. Currently, given the increased demand, we must have 4% efficiency savings each year in the NHS. In fact, we will see cuts. It is simply not right for the Government to continue to say that the NHS budget is ring-fenced, that the NHS is safe with them and that services will not be cut. The reality is that the NHS is going through a very difficult time, and, on top of that, this Government are putting it through an absolutely needless reorganisation, which means that we will not get a national steer on things such as maternity services.

Simply giving commissioning to GPs will not help. It has been a matter of policy for years that we keep pregnant women away from doctors if we can, because they are not ill. We pass their care into the hands of the midwives, and hopefully everything will be fine. If a doctor is needed, bring the doctor in. Essentially, women go to a GP to find out that they are pregnant. They then go to a midwife and the midwife looks after them. That has always been the case. GPs do not have an understanding of midwifery or services for pregnant women. The difficulty is that such services will be sidelined and that is not fair on women. That argument was made to the Government when the point was being made that midwifery and post-natal services should be commissioned nationally. I do not know why the Government have changed their mind about that, and it is one of the questions I want to ask the Minister.

The NHS is going through great economic trauma. It is used to having a year-on-year increase in budget. Now, its budget will be cut year on year at the same time as the service is being reorganised. Will we have proper tactical decisions on midwives, community nurses and all those things on which mothers rely, or will we simply allow such services to be given to GPs—at a time when a cold wind is blowing through the national health service?

I think I have got through most of my questions to the Minister. I have just a few more. How will she drive improvements in maternity services? Before the election, the Prime Minister talked about maternity networks. What levers does he have that will make them a reality? Why did the Government ignore the representations of professional bodies such as the Royal College of Midwives and the Royal College of Obstetricians and Gynaecologists in relation to commissioning? Furthermore, why has the Prime Minister handed over commissioning to GPs and maternity services? Will the Minister give us an assessment of the involvement of midwives in GP pathfinder consortia?

12.8 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): May I say what a pleasure it is to be under your chairmanship, Mr Gale? I congratulate the hon. Member for Birmingham, Edgbaston (Ms Stuart) on securing this debate. She was right to emphasise the good work that goes on in our maternity services and to praise the staff for the care that they give to women and their families. Pregnancy is an exciting, but sometimes bewildering, time for us all. I have had four children in four different hospitals in four different parts of the country. As is the case for many women, the care that I received had a significant impact not only on me but on the care that I was able to give my children at the time.

The hon. Lady raised three issues. She referred to the excellent work of Professor Gardosi, an article from *The Sun*—much reference has been made to *The Sun*—and the debate yesterday on the health Bill. The hon. Member for Solihull (Lorely Burt), who is no longer in her place, also mentioned the excellent work of the Stillbirth and Neonatal Death Society. Let me also take the opportunity to praise that organisation for its work in this difficult area. It would be an honour for me to be at the opening of the Forget-Me-Not suite at the Royal Surrey county hospital in my constituency.

My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) made an important intervention. As he said, the birth rate rose by 19% between 2001 and 2009, and the midwifery work force rose by only 9% in that period. Listening to Opposition Members this morning, one wonders where the Government have been for the past 13 years. In that period, significant amounts of money were going into the NHS. So, as my hon. Friend asked, what exactly did the previous Government do in that time?

I want to mention some of the other points that my hon. Friend made. His dedicated service to his constituents is legendary and this morning he spoke with his usual passion. He has already raised his concerns about reconfigurations of services and I know that he will listen to what GPs, midwives and, most importantly, women and their families have to say about those reconfigurations. I know that he will use every tool at his disposal to ensure that his constituents' views are heard loud and clear.

My hon. Friend the Member for Montgomeryshire (Glyn Davies) also reiterated his concerns about reconfigurations. I must say, Mr Gale, that he should relax about parliamentary procedures, which confuse even the most experienced Members at times. As a new Member, you often feel that it is just you who is confused. But fear not—people who have been in the House for 20 years or more can also get confused by procedure.

[Anne Milton]

I was very heartened to hear of my hon. Friend's positive tale of his wife's four home births. Clearly, they were successful and happy experiences, which were doubtless helped enormously by the excellent support of a midwife on the spot. He rightly raised the difficult issue of cross-border care and it is critical that we get that care right. Arbitrary lines do not wash with the public, and I am sure that people will listen to his contributions on this subject when the reconfigurations are considered. The first duty of maternity services is to provide safe, high quality care for mothers and babies. Women should rightly expect to receive consistently excellent maternity services, no matter what time of day they have their baby or where they are treated.

I did not have any home births, but I am very aware—this is slightly contrary to the hon. Member for Birmingham, Edgbaston—of what an important choice having a home birth is for many women. Personally, I am a little more nervous. I quite enjoyed my stay in hospital after each of my babies arrived; I put that down to the fact that I always feel the need to do housework if I am at home, so a hospital stay gave me a few days off. However, having a home birth is an important choice and I know that many women gain enormously from the opportunity to have a baby in their own home, and our aims reflect that. We have made provision of maternity services that are focused on improving outcomes for women and for their babies, along with improving women's experience of care, an absolute priority for the NHS. The Government set out our long-term vision for the future of health care in our White Paper and there was an extensive debate in the House on many of those issues yesterday.

By focusing on health outcomes and delivering maternity services through provider networks, we want to deliver high quality maternity services. Networks will bring together all the maternity services that a mother might need, linking local hospitals, GPs, charities, secondary and tertiary services, and, indeed, community groups, so that they can share information, expertise and services. Commissioners and providers will drive that process forward. Maternity networks will extend choice for women by encouraging providers to work together, offering expectant mothers and their families a broader choice of maternity services and allowing women to move seamlessly between the services that they want or need.

Ms Gisela Stuart: I am trying to understand these networks. How many will there be? I am concerned about the fragmentation of maternity services. Will there be one network in the west midlands, or will Birmingham have one network? Will there be 25 networks? How big are the networks?

Anne Milton: The important thing for central Government, and it is what we are doing, is to move away from being centrally very prescriptive. If I were to guess, I would say that networks will be on a regional level, but their size will depend on various things. Delivering maternity services in Birmingham is very different from delivering maternity services in Cornwall. We need a network that can offer all the services that women and their families need while not being too big and thus unresponsive to local need.

Ms Stuart: This issue is quite important. When we created primary care trusts, there was a kind of vision that they would each serve a population of around 250,000. That was a framework, but there were still some very small PCTs. Are we looking at a maternity network that would serve a million people, as in Birmingham, or a network that would serve 3.6 million people, as in the west midlands as a whole?

Anne Milton: The hon. Lady is already falling into difficulties. She wants central Government to prescribe what works on the ground. If one looks at the proposals for GP pathfinder consortia, one sees that the proposed consortia vary in size enormously. That is because local people on the ground know what size of consortium will work for them. We will see more details emerging as the health Bill goes through Parliament and as the consortia get going. What matters is to be locally responsive. The hon. Lady mentioned accountability; having the right accountabilities in the system is important. What also matters is using the commissioners in particular to drive up quality.

Our focus on public health is also critical to maternal outcomes. Healthier women have healthier babies and for the first time we will ring-fence public health money. The hon. Lady was right to mention inequalities. Increased rates of stillbirth are associated with deprivation. I must say that, despite the previous Government having what was doubtless the best will in the world, during the 13 years that they were in power, health inequalities widened. I do not think that that was because they were utterly incompetent; it was partly because it is extremely difficult to do something about inequalities. However, I believe that our focus on public health and our ring-fencing of public health money will have a significant impact.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): Does the Minister agree that, although choice is very important, in a constituency such as mine, which is in the east end of London, public health issues, such as nutrition, access to advice and quite low-tech care during pregnancy are just as important to good maternal health outcomes? Underweight babies are one of the big problems in my constituency. They often have poor educational outcomes later, and cost the taxpayer tens of thousands of pounds, because they have to be put in incubators and so on. That problem is to do with the sort of advice that those young mothers receive and it is a public health issue.

Anne Milton: I thank the hon. Lady for her intervention; I think that we broadly agree on this issue. That is why we are focusing on public health. Preparation for pregnancy and having a healthy baby starts long before a woman gets pregnant. The education and support that women receive, the social networks that they are part of and improving the public's health all matter. Nothing could be more important than improving the outcomes for women and, indeed, their babies.

Choice is important and it is also important that women can make informed choices; choices must be well informed to improve the outcomes for women and their babies. Furthermore, it is important that women have access to maternity services at an early stage in their pregnancy. In fact, ensuring such access is probably one of the most fundamental characteristics of high

quality maternity care, which is why we have included the 12-week early access indicator as one of the measures for quality in the NHS operating framework for 2011-12.

Of course, it is also important that there are appropriate numbers of trained maternity professionals to provide the maternity service. The number of clinicians needed by mothers depends on several factors, ranging from the mother's medical circumstances, to the complexity of the pregnancy, to wider societal factors, which can have a considerable impact.

Looking at the bigger picture, the birth rate must be considered when we are planning maternity services. Although the number of births in England has been rising since 2001, as I mentioned earlier, the birth rate peaked in 2008 and fell, by just less than 1%, in 2009 to about 671,000 live births. We are determined that staffing rates should be calculated purely on how many staff are needed to provide safe, quality care. We are considering ways to improve midwife retention and recruitment, and the planned number of midwives in training in 2010-11 is at a record level of about 2,500. Therefore we expect a sustained increase in the number of new midwives who will be available for maternity services during the next few years.

Complete and absolute focus on staffing numbers is totally ridiculous. If the birth rate shot up, 3,000 extra midwives would not be enough. Ensuring that the maternity work force has an effective skills mix is also an important consideration. I was recently in an extremely busy maternity unit, and the midwife there made it clear that what they needed was not more midwives but more support staff. Doubtless in other units there will be support workers in place, but not enough midwives. We want to focus on using the whole maternity team, including obstetricians, anaesthetists and support workers. It is not just the number of qualified midwives that is important, but their experience, and one issue that we need to address is attrition. A newly qualified midwife does not have the experience, nor perhaps the skills, to lead the team in a way that a midwife who has been in practice for 10 years or so can.

Emily Thornberry: Although I agree with what the Minister says, surely the difficulty she has is that the Prime Minister promised us 3,000 more midwives. Although I accept that we need experienced staff to ensure that midwives are trained up properly—the same applies to a number of different skills—the Prime Minister promised us the 3,000, so is it right that the Government are rowing back on that promise?

Anne Milton: There is no rowing back. We have always made it clear that the number of midwives will be in proportion to the birth rate. In fairness to the previous Government, they made concerted attempts, although much too late, to increase the number of midwives in training, and, as I have said, we have 2,500-odd in training now. We will continue to ensure that we have the right staff mix and the right number of midwives to ensure that women have safe births.

Ms Gisela Stuart: On that very point, I would be very happy for the Minister to write to me, stating that the Prime Minister himself said that that promise of 3,000 was contingent on the birth rate.

Anne Milton: I will happily discuss that further with the hon. Lady if she would like me to.

Significant progress has been made, and what matters is that the number of midwives that we have in place—the skills mix—provides good, safe outcomes for women and their babies. The NHS commissioning board will provide commissioning guidance and we are, of course, keen for it to support GP commissioning consortia in their commissioning of services. The Government will specify outcome indicators that demonstrate high quality and improving care, but it would not be appropriate for us to dictate models of care or how resources, including staff, are used. Instead, we will look for local leadership, from health and well-being boards for example, which will develop the joint strategic needs assessments and health and well-being strategies to inform commissioning, ensuring that trends in the birth rate and the growth in the number of more complex cases are taken into account by the local service. The complexity of a case is becoming more important than ever in determining the care and the number of staff needed to deliver babies safely, and its consideration will allow individual maternity services to adapt to the different pressures faced in different communities.

The hon. Member for Birmingham, Edgbaston rightly made important points about the deaths of the 25 babies in the west midlands between April 2008 and March 2009, and said that the report sadly states that 84% of those deaths were potentially avoidable. That is totally unacceptable, and I must admit that it comes as a shock to me, as it probably did to the hon. Lady, that we are still not good at using serious untoward incidents, and indeed the deaths of children and babies, to learn and to improve our practice. I met Professor Jason Gardosi, director of the west midlands Perinatal Institute and author of the report, to discuss the issue in more detail, and we have a lot of work to do to ensure that we learn from such tragic incidents. When I talk to women who have lost babies, they say that, more than anything, they want this not to happen again and lessons to be learnt from their experience.

The report outlines steps that could improve the safety of services, and we are looking at a number of ways in which they can be addressed. The NHS in the west midlands now has clear plans for improving standards of care and reducing preventable deaths, and it is important that those plans are implemented, including the urgent introduction of a system whereby maternity units and commissioners can learn from and respond effectively to adverse incidents, and a standardised regional perinatal death reporting system across all its maternity units. Interestingly, as a result of that, the west midlands in many ways now leads the way in this field.

Nationally, the National Patient Safety Agency has launched an intrapartum toolkit, which is valuable in helping maternity units improve safety. Sharing best practice is terribly important and we do not do it enough in the NHS. I hope that the new outcomes framework will act as a catalyst for driving up quality across all NHS services by measuring what is important: clinical outcomes. Such outcomes make a real difference to people's experiences of services and to their health and well-being, and can sometimes save the lives of mothers and babies.

It would be unfair to say that there have been no improvements in the past few years; there have been improvements in antenatal care. The Care Quality Commission survey of women's experiences of maternity

[Anne Milton]

services published in December 2010 found that 92% of women rated their maternity care as good or better. We should be proud of that, but it is the 8% sitting on the edge and those babies who die that are completely unacceptable, and we need to do much more.

The hon. Member for Birmingham, Edgbaston talked eloquently about the association between deprivation and poor outcomes, and rightly said that commissioning is weak. She described Professor Gardosi's report as damning, but the previous Government presided over the years covered by the study. What exactly did her Government do? Where were they? Why were inequalities in health not reduced? What happened to the health visitor numbers? Why is commissioning so weak? It is the weakness of commissioners that has failed to drive up standards, and the hon. Lady spells out exactly the case for changing commissioning.

Ms Stuart: The report was the result of the chief medical officer's concerns from the early '90s onwards. What concerned the CMO was that, although we reduced inequality, this particular area was not addressed, going back to well before the Labour Government.

Anne Milton: I appreciate that, but for the past 13 years the hon. Lady's party has been in government. In many ways, she could not have made a better case for changing commissioning. It is not very sexy to talk about it, but the weakness of commissioning is what has been at fault in many ways. It is what has failed to drive up the quality of services and achieve the outcomes that we want. The Health and Social Care Bill gives us the chance to refocus the NHS on what is important to its users and the staff providing the services, and to achieve the results that are important to them.

I assure hon. Members that I will continue to work on maternity services, and I remind the hon. Member for Islington South and Finsbury (Emily Thornberry) that it is simplistic in the extreme to say that this is just a numbers game. As far as health visitors are concerned, her Government presided over this dramatic loss in the health-visiting work force. We have promised to increase the number of health visitors to 4,200, and that vital work force will work with midwives and other professionals across the board to ensure a universal visiting service and targeted help for the most vulnerable.

The hon. Member for Birmingham, Edgbaston put across the exact case for why the changes to commissioning are so important, why our pledge to increase the number of health visitors is vital, why we need to create the maternity networks and why ring-fencing public health money is so important. Crucially, they are important because we are determined to improve the health outcomes of mothers and their babies.

Pensioner Poverty

12.28 pm

Bob Stewart (Beckenham) (Con): In our country, we have growing life expectancy, but pensioner poverty will become an increasing problem for us all. There are no reality shows on hospital geriatric wards. A dribbling one-year-old is cute, but a dribbling 91-year-old is not. One has their life in front of them, and for the other it is in the past. However, socially, each life is equally important.

We now have a population of 61 million. Nearly one third of us are pensioners. Of those, 1.8 million live in poverty. Statistically, when I walk down the street in my constituency, every 10th pensioner whom I see lives in poverty. Poverty is difficult to define, and I will not try to do so—it is a quagmire. To me, poverty involves not having enough food, clothing, warmth, shelter, care or contact with other people. Loneliness is a killer. How many of us have known of someone who just fell off the perch when their husband or wife died?

When I was canvassing for my seat—I am one of the youngest Members in the new intake eight months ago—I knocked on a door in my constituency and an old lady came to the door. It was a very respectable house. She said, "Would you like a cup of tea?" I said, "That would be lovely." I went through to the kitchen and sat down, and she made a cup of tea for me. I said, "Are you alone?" She said, "Yes, I've been alone for 10 years." I said, "I'm sorry. Your husband died?" She said, "Yes. It's very lonely." I said, "Well, thank goodness you've got a dog." I have a dog; they are great fun and good companions. She said, "I haven't got a dog." I said, "Well, you've got dog food on the sideboard." She said, "Do you know, it makes a passable stew." That was in a respectable house. Our society has hidden poverty as well.

Often, pensioners face a stark choice between heating and eating. I am shocked that between 20,000 and 25,000 pensioners a year in this country are said to die from hypothermia. In my constituency, I am told, an average of 30 old people die of cold each winter, which is shocking. For each one who dies, eight are admitted to hospital, 32 must seek out-patient treatment and 30 see care workers.

Obviously, people on low incomes are most at risk. All of us here expect to heat our homes to a temperature of 21° C, which is the norm. One can go as far down as 18° C, but below that we start losing old people. I saw one figure saying that at 17° C, 8,000 more people die. I cannot believe it, but that is the figure that I was given by Age Concern. The mean average temperature last winter was 3.4° C. Hypothermia in old people starts at 5° C, so home heating is essential.

The state pension is about £97 a week for a single person or £162 for a married couple. No one can live on that, and we all know it. It is vital to keep the winter fuel allowance, bus passes, eye tests, free prescriptions and free television licences for pensioners. They are good measures, and it is absolutely right that any Government should keep them.

I think of people who, perhaps like the old lady I met, tried all their life to save for their old age. But interest rates are low now, so nest eggs yield no interest, and pensioners must bite into their capital. It is infrequently mentioned in the media that the elderly suffer most

from low interest rates. Some 28% of all pensioners have less than £1,500 in savings, 4% do not even have a bank account and 26% of female pensioners have no savings whatever—for men, that figure is 28%. What happens when those people have a crisis—when their boiler breaks or something crucial to their lifestyle goes wrong? They panic, and they then become good bait for loan sharks. I suspect some of them just give up and say, "That's it."

The Department for Work and Pensions estimates that 39% of pensioners fail to claim their benefits. That amounts to between £3.1 billion and £5.4 billion a year unclaimed. In statistical terms, that accounts for 700,000 of the 1.8 million pensioners in poverty. Of course, many, like my mother and the parents of other people in this Chamber, are proud and dignified. They do not want to be a burden on anyone, and they spent their entire lives saving so as not to be. God bless them for it, but those benefits are a right, not charity. We are only giving back to pensioners what they contributed to our society, but the problem is trying to convince them of it.

My constituency, which is part of Bromley, is served by Age Concern Bromley. The lady who runs it, Maureen Falloon, has helped pensioners to claim £900,000 in the past year, which is vital. We should be encouraging such outreach services, where charities get involved with vulnerable people and help them out.

The old need to be cared for. There are 2.8 million carers in our country who get no money whatever for caring. Some 5% of those are over 85 years of age. Of course people want to stay in their homes. My mother did; all our parents do. It is natural. They do not want to go somewhere strange. We must try to help them stay in their homes, which, by the way, is cheaper than putting them in a home.

Old age can be lonely. Some 12% of pensioners say that they feel trapped inside their homes, and 6% say that they leave their homes only once a week. Other societies have what used to be called—I do not know whether they still are—extended families. Extended families ensure that the old are looked after and have a place in society. We seem to have lost that, which is a shame, because it is a part of the big society, too.

Unlimited funds would help, but the Minister and I know very well that we do not have them. There are 1.4 million people in our country over 85 years of age. In 10 years' time, according to *The Spectator*—it is in the press, so it must be true—there will be 2.5 million, which is a time bomb.

I will conclude with three thoughts. We need to get the 700,000 people who do not claim their benefits to do so, because if they do, they will be lifted out of the poverty trap. The Minister will know about the claim form for attendance allowance and its instructions. One of my staff spent two days—a whole weekend—and two bottles of wine filling out the form, which is actually half the size it was. We have to make it simpler, not only for those who are trying to claim individually, but for those who help them. The Minister is running an automatic credits payment scheme. It is a trial that has been ongoing since last year and will conclude at the end of this year. It is fantastic that, fundamentally, the Ministry, the Government and the system will identify people at risk and give them back their money, for which they have worked all their lives, look after them and make sure that they do not freeze to death or have to eat dog food.

My second thought relates to fixed income bonds, which used to be called granny bonds. When someone has saved all their life and they are trying their best not to be a burden on anyone—not just the state, but their family—they might at least have some guarantee of income. If we were to give a guaranteed rate of return for savings, at least those people who need it would know how much money they could plan on getting without trying to take out their savings.

Thirdly, it should be relatively easy to target potential pensioners as they approach retirement. Surely Her Majesty's Revenue and Customs knows what people's tax band is likely to be in retirement. Surely all our wonderful computer systems can spew out exactly what has happened and why we should target them. When that happens, they will need advice. The lady in the house with the dog food needed someone to help her. Perhaps she should downsize. I know that it is difficult for her, but somehow someone has to get in there and help her. A charity such as Age Concern Bromley could, through someone such as Maureen Falloon, talk to pensioners in that sort of situation, convince them of their entitlements and help them fill in forms such as that for attendance allowance.

Remember that some people in our society cannot read—they are illiterate. I speak as an ex-Army officer who had to deal with such people as they joined the Army. Surely it would be a moral and proper use of taxpayers' money to spend some of our resources on helping people via a grant of some kind to a local charity that could offer assistance. The way a society looks after its vulnerable is a very good measure of its civilization.

12.45 pm

The Minister of State, Department for Work and Pensions (Steve Webb): I congratulate my hon. Friend the Member for Beckenham (Bob Stewart) on raising a serious and important issue, and on explaining its depth and breadth. On pensioner poverty, we talk too often about incomes and measuring the statistics, and therefore lose sight of its human side. No matter how immersed we get in the statistics or how much progress we may think has been made, we should all still be shocked by the example that my hon. Friend has given. The experience of the pensioner whom he visited is totally unacceptable. Notwithstanding anything I might say in the time available to me, one person in such a situation is, clearly, one too many.

My hon. Friend raised a broad spectrum of issues and I will respond to a number of his key themes. On fuel poverty, I want to talk about the support we aim to give and some of our new initiatives. I will also address the issue of non-take-up of benefit, which as he rightly says is one of the most significant causes of pensioner poverty. He raised the issue of investment returns, granny bonds, interest and so on during oral questions a few weeks ago. I am pleased that he has followed up on that and I will give him a bit more information on it. Finally, I will talk about some of the broader issues he raised—income, material deprivation, loneliness and so on—and the steps the Government can take to identify those problems and act on them. I will try to run through all those things.

On fuel poverty, my hon. Friend is absolutely right that it is a pretty basic need to be able to keep warm enough and healthy, particularly in such a bitterly cold

[Steve Webb]

winter. One of the very first decisions we had to take as a Government was, as he rightly says, to continue the winter fuel payment when there was some speculation that it might go or be cut in some other way. We also made a decision on the cold weather payments, which are specific, £25-a-week payments for when the temperature is below zero for a week. They were temporarily raised to £25, and the budget plans we inherited would have reduced them this winter to £8.50 a week. We took the view that when temperatures are below freezing spending money on relatively low-income pensioners, disabled people and families with young children was a priority. My hon. Friend rightly says that money is tight, but that was a priority for us. Instead of cutting it to £8.50, we held the rate at £25, and those who are eligible in his constituency will have received three payments of £25—a total of £75—towards the extra costs of heating in this bitterly cold winter. I think that he and I can be proud of that decision.

Obviously, that is a short-term situation and, ideally, we have to ask why we in Britain have what is known in the jargon as "excess winter deaths." Why is a cold winter killing people in Britain when, essentially, it does not in Scandinavia, which is a much colder region? It does not get the spikes that we do in the winter, but one of the fundamental reasons is the poor standard of our existing and new housing stock. Even the houses that we are now building are often not good enough. The Department of Energy and Climate Change is leading on those issues and it is requiring the energy companies, as part of their carbon reduction commitments—the carbon emissions reduction target scheme—to target the most vulnerable households. The idea is that the energy companies will pay for things such as home insulation, loft insulation, cavity walls, draft-proofing and so on because, yes, we need to make sure that pensioners can afford their heating bills, but it would be far better if we could make sure, through a properly insulated home, that those heating bills were not so large in the first place. If we can make sure that more elderly people have cosy homes, they will be able to afford to heat them and everybody will gain. We are requiring the energy companies to do more on that front.

We also experimented—this is an interesting point in relation to take-up—with the energy rebate scheme earlier this year. The electricity companies made payments to pensioners based on data-matching between the data held by the Department for Work and Pensions and the energy companies' customer data. We brought the two together, identified people on the guarantee credit element of the pension credit and simply credited them with £80 on their electricity bills. The previous Government initiated the scheme and we did it as an experiment earlier this year. We targeted those aged over 70, so the elderly and the vulnerable got £80 credit on their electricity accounts. It was a one-year pilot and most of the delivery costs were paid by energy suppliers, and I sense that it was pretty successful. I had a few letters about people who were not sure why they did not qualify when their name was on the bill, and we had a few teething problems. However, overwhelmingly, that scheme put cash in the pockets of people living in vulnerable households. That has worked well, so we are now proposing something called a warm home discount scheme that will build on that success. We propose that energy suppliers should again pay a rebate to vulnerable pensioners, who have been identified through data-matching. That scheme was a useful precedent and we want to build on it.

However, crucially, that brings me on the second point: take-up. Of course, eligibility for the scheme I mentioned is dependent on the person concerned getting pension credit. As my hon. Friend rightly says, too many people who are eligible do not get the money. I absolutely endorse his comment that the payment is not charity; it is a right. People have paid their taxes and their national insurance and they are entitled to the money. I would not want any pensioner to feel that claiming money that the law says they are entitled to is anything other than a right. I am grateful to him for how he expressed that. As he rightly says, one of the things we are looking at—I view this as a two-stage process—is getting people to claim what is there now and simplifying the claims process. The second step, which I will come on to, is to reduce the reliance on means-testing and use more of the benefits and pensions that we know people will get. We should regard means-testing as a safety net, a residual part of the system, rather than a mainstream part of the process, as it is now.

As my hon. Friend rightly says, we are running a pilot scheme. We are trying to use the data we already hold to indentify the people who are eligible but not claiming. I sense that that will be more difficult than we might think. Eligibility for pension credit depends not just on one's own income but on one's spouse's. It also depends on the whole household's housing costs, and on all its savings in different accounts with different institutions. One of the problems we have in Government is bringing all that together. On my hon. Friend's point about identifying people approaching pension age who might be about to become poor, the pilot will tell us how far we can draw together the disparate information that different bits of Government hold. People might have three different pensions from three different providers, and, two years before pension age, might not have even crystallised the pot into a pension. We therefore do not yet know how big the pension will be.

Bob Stewart: Perhaps those who work for charities could be used as additional social workers to help those people and give information back to Government. We would all win by doing that.

Steve Webb: I am grateful to my hon. Friend for stressing the valuable contribution of charities, such as Age Concern Bromley. Many other charities that do their work in people's front rooms have a crucial part to play. The Pension, Disability and Carers Service is a local service that works with local authorities and does home visits. It goes into people's front rooms and does similar sorts of work. Such work is very valuable, but I want to be as systematic as I can, so that we can catch the folk who fall through the net.

Bob Stewart: It is part of it.

Steve Webb: Absolutely. That work is a very valuable complement to the process. I want to ensure that the Government are as systematic as we can be, so that we can get as much money automatically to people as we can. As I said, we have been running a pilot scheme and

have identified a sample of 2,000 people who, on the face of it, appear to be entitled to pension credit and are not claiming it. We have made payments to those people of what we think they should get. We have contacted them and said, "The money that's arriving in your bank account is what we think you could get as pension credit. Would you like to make a claim?" As my hon. Friend says, that has been going on and we are closing the study in the middle of March. We are hoping to learn from that how far we can use the information we have to ensure that people get what they are entitled to. We will certainly be reporting back to the House on that.

What we have to do—and what the Government are doing—is to ensure that the money people definitely do claim is better. Let me give an example. The state pension, which has virtually 100% take-up, is worth having. My hon. Friend will know that, after 30 years of the link with earnings being broken, we restored the earnings link this year. Over the lifetime of their retirement, a typical pensioner retiring this year can expect to get an extra £15,000 in state pension compared with the old price link. That money is guaranteed and we know they will claim it. My goal for the longer term is to try to rebalance the system, so that we do not have, as he rightly says, a wholly inadequate basic pension—someone cannot live on £97 a week—and a mass means-testing system that results in many people failing to claim. There will always be a need for a safety net and a catch-all, but I would rather ensure that the pension is at a decent level. Restoring the earnings link is the first step towards that, but I hope we can go further.

My hon. Friend rightly raised the issue of investment income and set out a very important context. In fact, many pensioners, particularly poorer pensioners, have next to no investment income. He quoted some figures. Regarding the poorest fifth of single pensioners, who are living on £136 a week, just £4 of that is coming from investment income. So even if I could magically double interest rates, I would be giving them an extra £4 a week. That clearly matters for those who have structured their finances to depend on interest income. I will say a word about that in a moment. However, for us as a Government, getting pensions, pension credit and so on right will have a substantial effect.

My hon. Friend is right: falling interest rates are an issue. He mentioned the granny bond or, as I gather it used to be called, the pensioner guaranteed income bond. That bond was withdrawn by National Savings and Investments in 2008, when it was paying an interest rate of 3.9%. That was a few years ago. Obviously, when there is a base rate of 0.5%, one might think that savings rates had plummeted so far there would be nothing like that out there. I have done a bit of research and, for example, today on the market 3% interest rates are available for a one-year bond, and for three-year bonds 4% interest rates are available.

However, people do not necessarily know about that. When I responded to my hon. Friend in the House a little while ago and mentioned the issue of shopping around, we discussed the fact that, if someone has access to the internet, dealing with such issues is straightforward. Moneymadeclear and so on are good websites. However, the Consumer Financial Education Body also offers a helpline that people can ring up. If someone is not sure whether they are getting the best interest rate and they want to know what is available, they can ring the helpline number. I shall read that number into the record: 0300 500 5000. People can simply phone that number and say, "I've got this amount of savings. What sort of options do I have?" As I mentioned, with savings rates of 4% or more and increased limits on individual savings accounts available, decent rates are out there. However, too many people are trapped in receiving very poor interest rates. Let me give an example. I noticed this morning that a high street building society is offering what it calls an e-savings plus account that pays 0.1% interest, and a high street bank is offering what it calls a premier saving account, also offering 0.1%.

Bob Stewart: That is exactly where people who work for charities that go into people's homes can help. If they have such things in their quiver, they can say, "Let's have a look at your savings and see if we can get you a better return." That does not cost them anything.

Steve Webb: Indeed. I certainly would not downplay the role of face-to-face conversations. I fully accept that many older and more vulnerable people will not have internet access. We need alternatives, such as charities or visitors going into people's homes and talking about savings rates and giving phone numbers of the sort I have mentioned. That is all part of getting the message across that people who have suffered a big fall in their savings rate need not necessarily face such a situation. There are options out there for them.

In the final few minutes of my speech, I shall talk about the broader issues that my hon. Friend raised. He mentioned carers and social care. As he will know, the Department of Health has an independent care commission headed by Andrew Dilnot, which is due to report in the summer. Although that commission's formal consultation process finished on Saturday, I am sure it would very much welcome my hon. Friend's input if he has further comments to make about the role of older carers, whom he mentioned. The Government are seeking to ensure that those who are doing full-time care of, for example, 50 hours a week or more can get far more respite. Perhaps 1 million people are in that category. He also raised the issue of claim forms. I entirely agree: there is always a lot more to be done. I should stress that people can ring a free phone number—0800 882200—and can claim over the telephone. As he rightly says, that might help people who cannot read or deal with the forms. It is great if those people have someone do the form for them or with them. We also try to enable people to complete the form over the phone if that is more helpful to them.

Finally, my hon. Friend properly raised the much wider issues of pensioner poverty. It is not just about income; it is about loneliness and what happens if the cooker breaks and so on. When we publish the figures on households with a below average income—the poverty figures—I am keen for our Department not simply to publish table after table about income, but for it to look much more broadly at deprivation. I have a list of the things we are studying and publishing figures on: for example, whether someone can replace a cooker, take a holiday away from home or go out socially at least once a month. As he rightly says, loneliness, isolation and financial insecurity are important facets.

Bob Stewart *rose—*

Steve Webb: I am about to conclude as there are only a few seconds left.

I congratulate my hon. Friend on raising a vital issue and I look forward to having an ongoing conversation with him. Like him, I congratulate the voluntary sector and our front-line staff on their work. They are bringing these messages to vulnerable people, whom we are determined to help.

Policing (Telford)

1 pm

David Wright (Telford) (Lab): It is good to see you officiating in the Chair this afternoon, Mr Gale.

I begin by paying tribute to the officers, community support officers and civilian staff who work so hard in my constituency. I have always felt that being a serving police officer or CSO is one of the toughest jobs in our community. When they go to work, they know that they might place themselves in harm's way, on a daily basis, to uphold the law and protect local people. May I say to those people that we are grateful for their work and the commitment that they show?

We have an establishment figure of 290 police officers and 49 CSOs in the Telford and Wrekin area. Those officers are backed up by civilian staff. In many police stations today, the person we meet, who will help us and point us in the right direction as we go up to the front desk, is often a civilian member of staff. The support they give front-line officers and CSOs is very important. Approximately 20% of the officers who work in Telford are in CID and specialist teams, 20% work in local policing teams and 60% of officers and CSOs work in the response unit. We saw a significant rise in police numbers in the previous decade, and the introduction from scratch of CSOs, who provide a valuable visible presence in the community and have proved to be a successful addition to the strength of divisions across West Mercia. I remember that when CSOs were brought in, people were somewhat sceptical, but they have worked very well in Telford. We often see CSOs paired up with police officers so that they can work jointly and provide cover for each other. They are often seen in our local centres, such as Dawley, Madeley and Oakengates, and provide a valuable, uniformed presence in those areas. People value them and the numbers have risen significantly in recent years. A range of partners, not just mainstream Home Office funding from the police authority, is involved in funding CSOs. Other partners are contributing to provide CSOs in our area. For example, we have seen partnerships with parish councils, which helped provide sponsorship for vehicles and individual CSOs.

The local policing teams serving my constituency operate out of Donnington, Malinsgate and Madeley police stations, and their ethos revolves around four key themes: access, influence, intervention and answers. It is their job to be the direct link and connection with communities in our area. This initiative was one of the best undertaken in policing during the lifetime of the Labour Government. It ensures that people can identify their local police officers and CSOs and engage with them directly.

In Telford, we also have the Partners and Communities Together process, which enables local people to engage with the police and other agencies to identify and tackle issues in their community. I have attended some PACT meetings. They are large meetings: they are often packed—different spelling—and very positive. Local police officers come and talk about policing priorities, and the community can say to police officers and CSOs, "Actually, in the next few weeks we need you to focus on this area or this particular type of crime in our community, because it is particularly troubling us." Those meetings are very positive and provide a link back to the public. The public get

frustrated sometimes when they see that police officers are active, but do not receive any feedback on results or actions that have been taken. This is, therefore, a two-way process—a dialogue between the community and agencies that are attempting to tackle crime in our community. I regularly meet officers in Telford, both at Malinsgate and out on the patch. In a recent meeting with Superintendent Gary Higgins, he said that, in relation to Telford, in 30 years in the police force, he had

"never worked anywhere with such a positive can-do attitude".

I am pleased to say that crime has been falling in the Telford and Wrekin area in recent years. The overall number of crimes fell from 13,655 in 2006 to 11,444 in 2010. There have been falls in all types of crime, notably violent crime and antisocial behaviour. That is good progress, but every single figure in those statistics relates to a victim, and we need to do more to drive down crime and crime levels in our town.

Local policing teams are contributing to success and alongside this we have some excellent partnerships involving organisations such as Telford and Wrekin council, Wrekin housing trust, local parish councils and wider community groups. One particularly interesting initiative is focused on antisocial behaviour, where West Mercia is the Association of Chief Police Officers lead. We have a co-ordinated antisocial behaviour team that encompasses staff from the police and local authority, in partnership with agencies such as the Wrekin housing trust. That ensures that people who are repeatedly targeted by antisocial behaviour get a tailored response, and we also have an antisocial behaviour vehicle that can be sent to incidents. That activity is then integrated with the work of the local policing teams and fed back through the PACT process, confidentially of course. It allows resources to be targeted effectively.

Antisocial behaviour is a blight on communities. It is a significant problem in urban areas such as Telford. It disproportionately affects different people in communities. When one person feels that they have been affected by antisocial behaviour, their perception of antisocial behaviour may be different from someone else's. For example, if a gang of young people is kicking a ball against the wall outside an elderly person's house or bungalow, that may be perceived as a big antisocial behaviour problem for the individual resident. You or I, Mr Gale, might find that perfectly tolerable to an extent, but an older person might feel significantly intimidated. The antisocial behaviour team can consider who is being repeatedly affected by antisocial behaviour and how it impacts on their life.

Alongside this type of work, the police in Telford and Wrekin have also been engaged in work that attacks organised crime networks. Telford is no different from any other town—organised criminals are active in our area. I receive briefings from senior officers on this activity and, although their work is often unseen by the public, I can inform the House that the effort and commitment shown by officers to those investigations is outstanding.

Crime has been falling and a range of local initiatives are producing results. I am, however, concerned about two key issues. First, police funding will be cut by 20% in the next four years and the Government are taking a big risk with public safety. The cuts could undermine the fight against crime and antisocial behaviour that we have been successfully waging in towns such as Telford. Helped by record numbers of police officers, crime fell by 43% under the Labour Government and the chance of being a victim of crime was at a 30-year low. However, the Government's reckless cuts to policing and crime prevention will put all that at risk.

The cuts are front-loaded. They will be larger for the first two years of this Parliament, making it even harder to make long-term efficiency savings and putting more pressure on police forces to cut officer numbers. In West Mercia, which covers Telford, that will mean a cut of £20.6 million between 2010-11 and 2012-13. That will inevitably lead to pressure on front-line police and CSO numbers in areas such as Telford. Home Office statistics, which were revealed last week, show that in West Mercia there are nearly 150 fewer officers than there were a year ago. The force has announced significant job losses already, and I fear that there are more to come in the next four years. The fall in numbers was for the period before the Government's 20% cut to police funding was announced, and I fear that it is only the thin end of the wedge.

In West Mercia there is a recruitment freeze, which means that, as people leave the service, they are not replaced. Very often, longer-serving officers leave, for obvious reasons, and they have often progressed up the ranks. Under normal circumstances, they would be replaced by officers from the front line, and new recruits would come in. That clearly cannot happen, so posts in specialist teams are left unfilled and force capacity is weakened, or the front-line force capacity is weakened if posts are filled through promotion. There is a Catch-22 problem with the recruitment freeze: we can see pressure on the front line but also on specialist teams.

Another concern to officers, particularly across West Mercia—I have spoken to officers in Telford about this—is regulation A19, which requires that officers retire after 30 years' service. West Mercia is not implementing A19 at present, but, like several other forces, it will be looking at it. The real problem is that the force would lose officers with great experience if it were implemented.

It is not just me who is concerned about these issues—the police themselves are. Simon Reed, vice-chairman of the Police Federation, said on Sky News on 20 October 2010:

"So we know forces have a recruitment freeze on officers, we churn about 5,000 officers a year so we're probably talking losing, by the end of this time, 20,000 officers and that's going to have a big impact. Let's have no doubt about that, that's going to have a big impact and that doesn't include staff officers that we lose as well. So this is a tough day for policing."

He was talking about the broad arrangements around the settlement.

Rob Garnham, chair of the Association of Police Authorities, said on 13 December 2010:

"There is a risk that the positive momentum of the last few years on crime reduction and public confidence will be interrupted, at a time when communities are likely to be looking more towards the police for help when other public services are scaling back. The police service may find itself squeezed from several directions at once".

That is interesting stuff, is it not? During the election campaign, the Deputy Prime Minister said that we would have 3,000 extra police officers on the streets. That was clearly a campaign commitment. The Prime Minister said that he would send back to their Department any Minister who proposed front-line cuts to services so that they could think again. I would be interested to hear what the Minister has to say this morning. During the general election, my Conservative opponent said

[David Wright]

that the West Mercia police in Telford were "underfunded". I do not know what he would think if he saw the figures today.

The second issue I want to discuss is directly elected police and crime commissioners. At the same time as we are looking at police cuts, the Government are committed to subjecting the police to an unwanted organisational upheaval, in which police authorities would be replaced by directly elected police and crime commissioners. It is estimated that that will cost more than £100 million.

In the nearly 10 years that I have been the MP for Telford, I have never met anyone in my constituency, neither a member of the public nor a party activist from any party, who suggested that that would be a good course of action. The fact is that we have a well-respected police authority model, which involves people from all parts of West Mercia—we do not want an American-style elected police commissioner.

There is a real danger that the position will be politicised, at huge cost to taxpayers. The Minister should take the money put aside for the project and give it to police forces such as West Mercia to spend on front-line services. The cash could come directly to Telford to be spent on front-line policing and on supporting police officers and CSOs. I urge her to go back to the Department and think again about the police commissioner idea. She should allocate the resources that have been ring-fenced for it to police authorities, and put them on the front line in towns such as Telford.

In closing, I once again pay tribute to the public servants in and out of uniform who serve our community as part of the police force in Telford. We ask them to do much on our behalf, and it is our duty to support them in doing their duty.

1.13 pm

The Parliamentary Under-Secretary of State for the Home Department (Lynne Featherstone): It is a pleasure to stand before you this afternoon, Mr Gale. I congratulate the hon. Member for Telford (David Wright) on obtaining this debate, and I join him in paying tribute to the excellent and innovative work done by the police and other agencies in Telford. As he said, together with Telford and Wrekin council, they have set up a joint unit to improve action on the antisocial behaviour that can blight people's lives. West Mercia is the Association of Chief Police Officers lead on antisocial behaviour, and one of the eight forces chosen to take part in a new trial to improve the police response to complaints about such behaviour. A pilot is taking place in Telford, and a risk-assessment tool that identifies high-risk and vulnerable callers has been developed and is already being used. Such work makes a crucial difference to the safety of communities and the quality of people's lives.

The hon. Gentleman spoke about key issues. If I may, I would like to start with police and crime commissioners. He and I differ on the impact of the Government's proposals to introduce them. He said that the proposal would lead to politicisation of the police, whereas I believe that it provides an opportunity to open them up to democratic accountability. Police authorities are responsible for holding the police to account, but the introduction of elected commissioners will put power directly in the hands of the public.

The hon. Gentleman was concerned about the cost of the exercise, but the commissioners will cost no more than police authorities did. Moreover, I am not sure whether he is aware that in the Police Reform and Social Responsibility Bill Committee, the hon. Member for Gedling (Vernon Coaker) proposed an amendment and then voted for having directly elected chairs of crime and community panels, which would involve an equivalent cost. For the election, £50 million has been especially allocated—it will not come out of the allocation for the police grant. The cost would be the same whether it were for an elected police and crime commissioner or an elected chair of an authority. Overall, the exercise would involve the same cost.

Commissioners will take over most of the functions of police authorities, and they will provide democratic accountability and be a visible and active force for community engagement. Meanwhile, they themselves will be held to account by police and crime panels for the execution of their duties. The panels will be made up of locally elected councillors and some independent and lay members. They will be able to veto a commissioner's proposed precept by a three quarters majority and veto any candidate whom a commissioner proposes for chief constable by the same majority.

The public will also be given opportunities to scrutinise the performance of their police and crime commissioners directly through enhanced local crime information, including, from today, street-level crime maps. I am sure the hon. Member for Telford would agree that that will open up police information and crime statistics to the public, who will know what is happening in their street and area, and be able to hold not just police commissioners but their local police to account. He discussed the importance of local people being able to hold their local police, local ward panels and so on to account for what is happening on their streets.

The running costs and day-to-day expenditure of police and crime commissioners will be less than 1% of the total costs of policing. As I said, we expect them to cost no more than the current system of police authorities. However, what will be different is the value that the public get for that money. Police and crime commissioners will need to demonstrate value for money to local people or they will not be re-elected. The additional cost is the £50 million over four years for elections, but, as I said, that is the same as would result from the suggestion of the hon. Member for Gedling for directly elected chairs of panels.

The hon. Member for Telford spoke about value for money, police numbers and the importance of local policing. The core challenge for the police is not just to reduce costs but to do so while maintaining and, indeed, improving public services. The police are very "can do", and I am constantly impressed by the determination of police officers and staff to do just that. After the provisional funding settlement was announced in December, the chair of West Mercia's police authority said:

> "Even after the planned cuts we will still be spending more than £200 million per annum on policing services. That is still a substantial sum and, given the strong position that has been built up over the last 10 years, we aim to do all we can to maintain an excellent police service into the foreseeable future."

The Government's priority is to ensure that the police service retains and enhances its ability to protect and serve the public. That is done by improving efficiency, driving out waste and increasing productivity.

I do not know whether the hon. Gentleman was at Home Office oral questions last week, when my hon. Friend the Member for Stroud (Neil Carmichael) noted that there is a healthy appetite for more policemen on the beat—visible policing—with which I am sure we all agree. The chief constable of Gloucestershire has reorganised his force and increased the number of officers on the beat from 563 to 661—increasing his front-line ability to carry out visible policing—by looking at his back and middle offices. We know that there is much that chief constables and police authorities can do to improve services: improving deployment, getting officers out on the streets and smarter policing.

Only 11% of policing is visible at any one time. That has to be our focus: smarter policing, where we deploy police, and what they are doing when they are out on the streets. The broad strategy to improve value for money in the police service is about improving front-line services. I am sure we agree on the function that the police service performs in our communities, which is absolutely vital. The Government's priority is to ensure a better police service, retaining and enhancing its ability to protect and serve.

Despite a rapid expansion of the work force, Her Majesty's inspectorate of constabulary found that only 11% of officers are visible and available to the public. The Government are cutting bureaucracy so that the police are crime fighters, not form writers. The Telford and Wrekin section of West Mercia police's website explains:

"Over the next year and beyond, our aim is to work smarter, operate using streamlined processes and focus all of our efforts on serving and protecting the public of Telford and Wrekin in the best and most effective way."

The primary responsibility for improving value for money is local, but the Government will ensure real leadership where national organisation is required, which will enhance policing at the local level and enable it to function better. Transparency of data and comparative data are key to enabling and driving change. Data on costs and services accessible to the public reinforce behaviours that drive value for money.

On pay and conditions of service, the Government have asked Tom Winsor to review the remuneration and conditions of service of police officers and staff, and to make recommendations that are fair to, and reasonable for, both the taxpayer and police and staff officers. Procurement and IT will have a concerted and nationally led approach. There will be a step change in collaboration between forces, providing the right support for forces and helping the police service to organise, so that it gains maximum benefit from working with the private sector. We estimate a potential £2.2 billion saving, which outstrips the £2.1 billion real reduction in grant.

The Government are taking a direct interest in ensuring that savings are realised. The Minister for Policing and Criminal Justice now chairs a high-level working group, with representation from chief constables and police authorities, to identify the right change programmes and agree that they should be taken forward. We all recognise that it is no longer business as usual. The time for talking about IT convergence, collective procurement, collaboration, sharing and outsourcing services is over. We cannot afford any longer not to do those things.

David Wright: I think we would all agree that the savings the Minister is talking about, through collaboration and working with other forces, are important. In fact, West Mercia is looking to work more with Warwickshire police. Will the Minister give a commitment today that the establishment police and community support officer figures for Telford will not decrease over the next five years—front-line police and CSOs?

Lynne Featherstone: That is a matter for the local chief constable—to organise the West Mercia police force as he can best deploy them, to the best of their ability. It is within local command to decree what the deployment must be. The Government's loud and clear message is that deployment should be to the front line for visible policing, by making back office and middle office savings. The front line should be protected and the Prime Minister would be very cross with those police forces that did not strive to make the effort and succeed—as Gloucestershire has done—in putting police on the front line.

There is no simple link between officer numbers and crime levels, as shown by the examples of other cities and countries, such as New York and Northern Ireland, and as shown in England and Wales during certain periods. We have all talked about the numbers. The hon. Gentleman mentioned the Deputy Prime Minister, when talking about the Liberal Democrat manifesto, putting 3,000 extra bobbies on the beat. In the event, many of the successes—where police numbers have fallen and crime has fallen—have been due to technological advances such as better burglar alarms and car safety. There is not a direct and absolute correlation between those two things.

I want to touch briefly on the issues the hon. Gentleman raised concerning antisocial behaviour. The Government would agree with him that antisocial behaviour blights lives and the public expect us to fight it. It is crime, however it is labelled. We know the damage that such behaviour can do to communities. It can be more disruptive than other types of crime, because it so often targets those least able to look after themselves. As the hon. Gentleman may know, we are planning to reform the toolkit for dealing with antisocial behaviour. Our aim is to reduce the bureaucracy, delay and costs that hamper the police and their local partners. We will be consulting shortly on new measures and proposals.

A trial for handling antisocial behaviour complaints was launched in eight police force areas, including West Mercia, on 4 January. That change in the way that forces respond to calls, involving IT improvements, uses new systems to log complaints. The trial aims to put into action the recommendations of HMIC's report on the police response to antisocial behaviour. The police and Telford council have already introduced an innovative joint ASB team. They are using and helping to develop the risk-assessment tool that identifies high-risk and vulnerable antisocial behaviour callers. The trials are being supported by the Home Office, ACPO, HMIC, social landlords, and crime and nuisance groups, which illustrates the point the hon. Gentleman made about the importance of partnership working.

In conclusion, I pay tribute to the police and all the agencies and individuals who work with them in Telford and across the country. They perform an immensely valuable service in often difficult circumstances, and the Government are committed to doing everything we can to support them. We recognise the challenges caused by the unprecedented budget deficit, but we have every

[Lynne Featherstone]

confidence that front-line services can be protected. We will provide real national leadership, with the National Crime Agency, in giving the police the powers they need and in helping to cut unnecessary costs and bureaucracy where a central role is needed. Our reforms will make them freer to develop local responses to local problems, without being hampered by unnecessary targets and regulations imposed from Whitehall.

I again congratulate the hon. Gentleman on securing the debate. I am sure we have the same aims in policing the safety of our communities and giving everyone the confidence to go about their daily business without fear.

Mr Roger Gale (in the Chair): Order. We will now move to the debate on funding for schools in Worcestershire. Before that debate commences, I notice that, quite properly, there are a number of Members from Worcestershire present. It seems appropriate to remind Members that while any Member may at any time seek to intervene on a speech, if anyone wishes to make a speech during a half-hour Adjournment debate, that has to be with the consent of the Member in charge and the Minister, and the Chair must be notified first.

Schools Funding (Worcestershire)

1.30 pm

Karen Lumley (Redditch) (Con): I begin by saying what a privilege it is to serve under your chairmanship, Mr Gale. I seek leave from you to allow my colleagues to speak.

Mr Roger Gale (in the Chair): Order. I am slightly distracted and I apologise to the hon. Lady. Any hon. Member who seeks to speak must have the permission of the hon. Member in charge of the debate and the consent of the Minister. I trust that the speeches have been cleared with the Minister as well.

Karen Lumley: Yes, they have.

At the outset, I declare an interest as chair of governors at Vaynor first school in my constituency. I want to speak for a few minutes and then invite my two Worcestershire colleagues, Mr Robin Walker and Mr Mark Garnier, to speak. Like me, they have a keen interest in this debate.

Mr Roger Gale (in the Chair): Order. I am sorry to interrupt the hon. Lady again. We shall get started in a minute, and fortunately we still have a full half-hour. I remind her that she must refer to hon. Members by their constituencies and not by their names.

Karen Lumley: Fairer funding in Worcestershire has been a long-running crusade of mine, ever since I came to the county in 2000, when we moved from Wrexham in north Wales to Redditch. At the time, both my children were happily and successfully educated in the state sector in Wales, so it came as quite a shock when we realised that their education in Worcestershire did not seem to carry the same monetary value as it did in Wales. By that, I mean there was obviously something of a funding gap between what was provided to every child in Wales and what was provided to children in Worcestershire, which was far lower. Perhaps the Minister will shed some light on that issue.

I became a governor at Vaynor first school in Redditch, where the situation was worse than I thought. The school provided a good education to our children, but without many of the necessary resources. Added to that was the competition that we faced with neighbouring authorities to attract extra staff. That was due to our lack of funds and available means compared with other schools.

Worcestershire has constantly been near the bottom of the league tables, and in 2008-09 the average funding per pupil per year in Worcestershire was £3,729 compared with £4,066 nationally. This year, it is £4,028 compared with £4,388 nationally. While £300 does not seem to make a great deal difference in this day and age, it is a significant amount when applied to each individual pupil across Worcestershire.

Locally, things are worse. As the Minister may know, Redditch is on the outskirts of Birmingham, and currently schools in Birmingham are allocated at least £700 more per pupil than Redditch. Although I understand that there are intervening factors, £700 is a huge amount of money per pupil when one considers what sports equipment, after-school clubs, arts, science or reading materials could be provided for each child.

For a school such as Vaynor first school, which has 403 pupils, the funding disparity means that about £285,000 more would go to a similar school in Birmingham. Furthermore, with our current budget of just more than £1 million, we can see just how unfair the funding gap is. Cumulatively, that money could allow the school to provide one-to-one teaching for struggling students or provide extra resources.

Of course, Redditch will benefit from the Government's pupil premium initiative, which I welcome with open arms. I am pleased to see that the most disadvantaged pupils will receive an extra helping hand. That is especially important in Redditch where there are some deprived areas. I wholeheartedly agree with the Secretary of State for Education when he said:

"Schools should be engines of social mobility."

We have a duty to ensure that the school system in the UK nurtures and provides for our young people to give them the best possible chances from an early age. Today, I have written to all head teachers in Redditch, asking them to contact parents to ensure that those children who are entitled to free school meals are aware of the help available.

Harriett Baldwin (West Worcestershire) (Con): I congratulate my hon. Friend on securing this debate, which is so important to the future of children in Worcestershire. Does she agree that free school meals are not a good measure of deprivation in Worcestershire, particularly where rural schools no longer offer a dining room and therefore cannot offer free school meals?

Karen Lumley: I totally agree. We have to start somewhere, and perhaps as this Parliament progresses we will think of a fairer way of dividing the available money.

Redditch has the added problem of having been "red-flagged" by the Audit Commission on health and education issues. That is another factor for Redditch to deal with, in addition to those that I have already mentioned. The Government need to take a variety of factors into account when allocating funding, and I urge the Minister to recognise that. Some areas have slipped through the net, where funding is concerned. Although I understand that money is not the be-all and end-all, it goes a long way in sorting out some key issues.

I also realise that the solutions cannot all be provided by central Government, and neither should they be. My constituency staff in Redditch and I help out by mentoring young people from a local secondary school, which is the same school that both my children attended. We help those pupils to discuss any problems that they may have, encourage them to achieve their aspirations and offer them reassurance.

In conclusion, I am passionate about education, and I want to ensure that young people who attend school in Redditch—and indeed across the UK—get the best education that can be provided. We all know that children get only one chance, and we should help them to achieve the best they can. Although the Government are making significant improvements to our school system, we still have some way to go, mainly by ensuring that funding for schools is allocated in a fair and just way for the benefit of every child rather than according to the political jostling of central Government.

1.35 pm

Mr Robin Walker (Worcester) (Con): I congratulate my hon. Friend the Member for Redditch (Karen Lumley) on securing this vital debate, and on the passionate way in which she has argued her case. The minutiae of funding formulae do not make for glamorous debates, and in discussing such technical matters it is only too easy to lose the wood for the trees. It is vital to remember that the heart of this issue is a concept that is so simple but yet so central to the coalition Government—fairness.

Like my hon. Friend, I was elected with a clear mandate to campaign for fairer funding, and I am passionate about securing that aim. I have been lucky to learn from people who have far greater knowledge of such matters and who for many years have made it their main aim to achieve fairer funding—the F40 group. If, in the next few minutes, I delve into the dark byways of the funding system, I make no apology, but I ask hon. Members to bear in mind that I do so in a quest for fairness.

When I received our county council's briefing on the impact of this year's changes to school funding, I immediately reached for a cold towel to put over my head. The complexities of having one grant mainstreamed and another top-sliced—here a top-up, there a minimum funding guarantee—would be enough to put off all but the most dedicated funding nerd. There is nothing transparent about our current system. At last, with the help of that cold towel and some expert tuition, I was able to make some sense of the numbers.

The Government said that they have provided flat funding. That may be the case across the country, although even that is a challenge with inflation as it is. Unfortunately, in Worcestershire the mainstreaming of grants appears to have seen some reductions. Before the introduction of the pupil premium, we will see a fall of approximately £1.2 million in cash terms from last year to this. A table of per pupil funding by authority has been compiled by F40, based on the guaranteed unit of funding and cash numbers. Disappointingly, it still shows that Worcestershire is among the 10 worst-funded authorities in the country on both counts.

However, all is not lost. As my hon. Friend has noted, that small fall is more than made up for by the pupil premium. The estimated £3 million increase from that means that Worcestershire is a net winner from the Government's changes. There is no doubt that the pupil premium marks a step in the right direction, but it is not enough. Underlying the guaranteed unit of funding figures, there is no perfect formula produced by the finest minds in the Department for Education, and no work of genius compiled to meet the needs of every school in every part of the country. Instead, we have a mess—a hotch-potch of historical errors and corrections—and an unfairness, which is based on an injustice, which is based on a mistake.

The underlying formula has not changed. Instead, the so-called dedicated schools grant has ossified—it is tweaked from time to time, but every year the underlying mistakes are repeated and magnified. Each year, as the Labour party spent the golden legacy that it inherited, money was fired off on a flawed formula that is widely understood to favour big cities over rural counties. That formula targets deprivation on the broadest levels, but misses it in the many pockets where it truly exists. It fails to reflect activity in schools, which hurts places such as Worcestershire the most, due to their very diversity.

[Mr Robin Walker]

Worse still, the constant use of spend-plus has magnified those effects. I do not need to repeat my hon. Friend's arguments, but I can set out the picture in Worcester, where a number of wards are in the top 5% for deprivation in the country. They are wards served by schools such as Gorse Hill primary, where I used to help with reading, and secondary schools, including the outstanding Christopher Whitehead language college, which caters for the Dines Green estate. Between them, Bishop Perowne college and Tudor Grange academy look after Tolladine and Warndon.

Those are all fine schools, and in the past their good performance has been used as a reason why they did not need fairer funding. Now, in a time of austerity, the same case cannot be made. Those schools will benefit from the pupil premium, but that does not undo the legacy of decades in which the formula worked against them.

As the Government White Paper accepts, and as the Leader of the House confirmed last week,

"the system of school funding is unfair and needs reform."—[*Official Report*, 27 January 2011; Vol. 522, c. 457.]

Who am I to argue with the Leader of the House?

I welcome the steps that Ministers have already taken. I was pleased when my noble Friend Lord Hill met me with the leadership of F40 to discuss the broad case for reform. I am delighted with the impact of the pupil premium and look forward to the benefits that it will bring to schools that have waited too long for their due. I urge the Government to deliver on their commitment as soon as humanly possible to develop a clear, transparent and fair national funding formula based on pupils' needs.

In the audience for the debate today are pupils from Bishop Perowne college, a very fine school in my constituency. In their interests, in the interests of Worcestershire and in the interests of fairness, I commend this cause to my hon. Friend the Minister.

1.40 pm

Mark Garnier (Wyre Forest) (Con): I congratulate my hon. Friend the Member for Redditch (Karen Lumley) on securing the debate. I also congratulate my hon. Friend the Member for Worcester (Mr Walker), who has worked incredibly hard on behalf of all of us in Worcestershire, on getting into the nitty-gritty and the nuts and bolts of the funding formula. It is very useful to have someone taking the lead on our behalf, although I stress that that in no way diminishes our enthusiasm to sort out this problem.

The issue of fairer funding for Worcestershire schools is ongoing, and much of what I am about to say will, to an extent, be repeating the arguments, but it helps to put the issue into context. I visited one of my local secondary schools just last Friday and met the members of the student council. Those pupils are still reeling at the prospect of university fees, but it was helpful and, I believe, productive to sit down with them, to discuss the arguments and to try to sort out some of the misunderstandings that have been promulgated in the debate.

People at the school were also very worried about the education maintenance allowance. During the meeting, the head teacher told me that some 45% of pupils at Stourport high school receive the EMA. Some may argue that that proves that it is poorly targeted, but I choose to look at it differently and to use it to illustrate the fact that Worcestershire has hidden pockets of financial need. That evidence of financial need illustrates the point that Worcestershire is not the wealthy rural idyll that some believe it to be. It is not the affluent area that the appallingly low per pupil educational grant suggests; it is, in fact, an area that needs more investment in its education system.

My hon. Friend the Minister will be aware that my constituency is in educational limbo as we wait to see whether there will be a capital grant to help the 11 schools whose rebuilding has been cancelled as a result of the cancellation of the Building Schools for the Future programme. He will know that I am keen to secure the £125 million needed to complete those schools. As we have had a previous debate on the issue, I will not rehearse the arguments here a second time, aside from giving the Minister the most respectful but firmest of nudges, if I may, to ensure that Wyre Forest is looked at favourably when the money is handed out.

In the meantime, it is vital that the Minster takes on board the fact that another school in Kidderminster, Baxter college, draws its pupils, in part, from a ward that is rated in the bottom 10 in terms of indices of social deprivation across England, yet it receives about £3 million a year less than an equivalent school in Tower Hamlets. Of course, I realise that there are specific issues regarding the cost of being in central London, but the social issues do not justify such a massive discrepancy.

It is vital for us in Wyre Forest that we have investment in our schools locally, and the topic of this debate is the per pupil funding. If we continue being so unfair to Worcestershire's pupils, we will continue to lock some places into permanent under-achievement. I have got to know many of the teachers and heads in Wyre Forest, and I am staggered by the incredible job that they do in, in some cases, extremely difficult circumstances. However, we cannot rely solely on their continued good will and tireless work. It is vital that we support our teachers by giving them the resources that they need and deserve. Knowing that the Minister will be keen to help on this issue, I repeat how important it is that we see our capital funding in place, for reasons that we discussed in this Chamber in a previous debate.

1.43 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate my hon. Friend the Member for Redditch (Karen Lumley) on securing today's debate. I welcome the opportunity to discuss school funding issues in Worcestershire with her and my other hon. Friends. I recognise her concern about the level of school funding in Worcestershire. Despite what my hon. Friend the Member for Worcester (Mr Walker) said, I think that this is a glamorous subject to debate, and I am delighted to be doing so.

Worcestershire is one of the lowest funded authorities in the country. In funding allocations per pupil, Worcestershire is ranked 142nd out of 151 authorities, receiving, as my hon. Friend the Member for Redditch said, £4,028 per pupil compared with an average of £4,398. To put that in context, in neighbouring Birmingham,

the figure is £4,790, which is £762 more per pupil, and in Tower Hamlets it is £6,792—a staggering £2,764 more per pupil per year.

I know that my hon. Friend's concern is shared by my hon. Friend the Member for Worcester, who tabled an early-day motion last June calling for a fairer funding system for schools and raised the issue in the House at business questions last week. I also know that the F40 group, which represents many of the lower funded local authorities in England and of which Worcestershire is a member, has met my noble Friend Lord Hill and raised those issues with him. I know that all these concerns are also shared by my hon. Friends the Members for Wyre Forest (Mark Garnier) and for West Worcestershire (Harriett Baldwin).

The reason for the situation is the unfair and illogical funding system that we inherited from the previous Administration and that we are committed to reviewing. Indeed, we are doing so, as my hon. Friends will be pleased to know, with some of the finest minds in the Department for Education, who are sitting behind me—not directly behind me, but behind my hon. Friend the Member for Grantham and Stamford (Nick Boles), although he also has a fine mind and will, I am sure, contribute to the debate.

To be fair to the previous Government, they had been reviewing the system as well. The method of distributing school funding is based on a formula created in 2003. That was subsumed into the dedicated schools grant using the spend plus method, which took the funding spent by local authorities in the financial year 2005-06 and moved it forward by uplifting it by a set percentage each year for every authority and adding funding for ministerial priorities. That means that the inequalities in the system that existed in 2005-06 have been amplified by the percentage increases in subsequent years. In the words of my hon. Friend the Member for Worcester, the grant has ossified and it repeats and amplifies the unfairness. The effect is that schools facing similar challenges can receive vastly different funding. Two schools with the same needs should receive the same funding; it should not depend on an historical allocation made for a different set or a different generation of children.

Therefore, in our White Paper, "The Importance of Teaching", we said that we would consult on developing and introducing a clear, transparent and fairer national funding formula based on the needs of pupils. We recognise that not all schools are the same and that their funding should reflect the needs and characteristics of their pupils. Worcestershire, for instance, receives funding for sparsity of nearly £2.5 million a year. However, the system no longer reflects needs adequately, depending more on what schools received in the past than on the characteristics and needs of pupils in their schools now. We want all schools to be funded transparently, so that schools and parents can see why there are differences.

We are already working with partners—such as the Local Government Association, the Association of Directors of Children's Services, teacher and governor associations, and the Independent Academics Association—to develop options for the future funding of schools, with the aim of consulting in late spring. No doubt my hon. Friends will contribute to that consultation process. It is likely to cover the merits of a national funding formula, transitional arrangements and the factors that should be included in such a formula.

I know that my hon. Friends will be disappointed that we have not been able to go further in our first year. We inherited a perilous economic state from the previous Administration, and the Government have made it clear that deficit reduction and continuing to ensure economic recovery are the most urgent issues facing Britain. Our budget deficit in the last financial year was £156 billion—the highest among the G20 countries. The interest on the accumulated Government debt to date is £42.7 billion a year, which is significantly more than the total schools budget. Unless we take serious measures to tackle the deficit, we will face a higher cost of borrowing as capital markets demand greater compensation for the heightened risk. Ultimately, without the action that the Government are taking, we would now face an economic crisis.

As with other public services and Government spending, we have had to make difficult decisions about funding for schools. I hope that my hon. Friend the Member for Wyre Forest will understand that, given that we do debate the difficult issues that he raised in his remarks. We have had to make very difficult decisions in relation to the spending review period. In reaching those decisions, we needed to balance taking urgent action to manage the public finances with protecting the most vulnerable and recognising that education faces particular pressures.

I am pleased that we are protecting funding in the system at flat cash per pupil, before adding the new pupil premium. Flat cash per pupil means that as pupil numbers go up, the overall budget increases in line with those numbers. The pupil premium is in addition to that and will be worth £2.5 billion by 2014-15.

In that context, I hope that my hon. Friends will see this as a good settlement for schools, in the circumstances. As ever, the budget for each individual school will vary; it will depend on each school's particular circumstances and the decisions made by local authorities and school forums about how best to allocate funds.

Harriett Baldwin: Will the Minister address my point about free school meals in rural constituencies, where many schools no longer offer a dining room?

Mr Gibb: Yes, I am happy to respond to my hon. Friend's question. I recognise the concerns about using free school meals as a measure, but they are the only available method that can correlate deprivation at pupil level, rather than at postcode or area level, so they are the most accurate reflection of deprivation. There is quite a lot of academic evidence that free school meals accurately reflect the levels of deprivation in an area. However, we will continue to look at the issue, and we might in future include a measure of, for instance, whether pupils ever qualified for free school meals during a period of, say, six or three years. In that way, those who qualify for free school meals for just one year, then no longer qualify, will be eligible for the pupil premium.

The other thing that is happening as a consequence of policy on free school meals is that local authorities are pressing schools and parents to apply for free school meals, which they might not have done in the past. That will have a double benefit, in that more pupils will qualify for the pupil premium, as well as being able to have a meal at school.

[Mr Gibb]

The flat-cash settlement means, of course, that it will take time to move to the fairer funding system that I have been talking about. However, funding reform will be introduced in such a way as to minimise disruption and ensure that schools' resources are not subject to sudden and dramatic change.

Our priority for 2011-12 is the introduction of the pupil premium. I have said before, and make no apology for repeating, that closing the attainment gap between those from the wealthiest and the poorest backgrounds is central to our education policy, and that was reflected in the speech by my hon. Friend the Member for Redditch.

Mr Robin Walker: Does the Minister agree that a key issue in closing the attainment gap is early intervention to give people the best chances and the best start in their education? Another issue that needs to be prioritised, therefore, is the early intervention grant. Disappointingly, however, it is likely to go down in Worcestershire over the next couple of years. Will the Minister look into that to see how we can concentrate resources in the right places to prioritise early intervention as the Government address these issues?

Mr Gibb: My hon. Friend makes a good point. That is why we have allocated £2.2 billion to the early intervention grant. It is vital to intervene early to catch problems before they become more systemic in a child's life. My hon. Friend is right, and I will look into the issues he raises to ensure that there is not some undue unfairness in the allocation of the grant in Worcestershire. I will write to him shortly.

Although the exact amount of the pupil premium will depend on the number of children known to be eligible for free school meals, as recorded in the January 2011 census, which is not yet finalised, the numbers recorded in 2010 give an indication of the numbers for Worcestershire. On that basis, schools in my hon. Friends' local education authority area will receive about £3.8 million of additional funding from April 2011 to help them tackle deprivation.

The pupil premium will be worth £625 million in 2011-12 and build to £2.5 billion in 2014-15. That is significant spending to help the most disadvantaged children in society. To ensure that the premium is introduced as smoothly as possible, we have made the indicator for next year known eligibility for free school meals, which my hon. Friend the Member for West Worcestershire mentioned. In future, we aim to include those who have previously been eligible for free school meals so that not only the value of the premium but the number of children eligible for it will rise year on year. Overall funding for the pupil premium will rise from £625 million this year to £2.5 billion in three years' time.

My hon. Friend the Member for Redditch will appreciate that I am unable to pre-empt the findings of the funding review, and I know that she will be disappointed about that. However, I hope that she and my hon. Friends will take in good faith a commitment from me carefully to study the issues that they have raised in the context of the school funding review and in our consultation later this year.

Question put and agreed to.

1.55 pm

Sitting adjourned.

Westminster Hall

Wednesday 2 February 2011

[JIM SHERIDAN *in the Chair*]

Alcohol (Minimum Pricing)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Stephen Crabb.)*

9.30 am

Nick Smith (Blaenau Gwent) (Lab): I am pleased to have secured this debate. I thank Mr Speaker for selecting it and I am glad that it is taking place under your assured chairmanship, Mr Sheridan.

Alcohol pricing is of great concern to many MPs. The subject has been raised by Back Benchers on both sides of the House in recent Home Office, Health and Business questions, and it has been the subject of a number of early-day motions that received cross-party support.

Some say that alcohol misuse, with its related health and social problems, is a major problem in the United Kingdom, so it is right that we should debate how alcohol pricing can help to tackle it. A constituent of mine wrote to me recently, saying that politicians are too reactive and unwilling to offer leadership on difficult issues. The Conservative-led Government have certainly made a start on alcohol pricing, but it is a rather timid one. I hope they can be persuaded to be bold and to act swiftly. If they do not do so, precious lives may be lost and many lives blighted.

The British Medical Association has highlighted the staggering cost of alcohol abuse to the national health service, at £2.8 billion. The British Society of Gastroenterology says that a serious cost is attached to cheap booze, and the UK is now paying the price.

I requested this debate primarily because of my interest in public health, and I am glad to see the Home Office Minister and the shadow Minister here today. We all know that antisocial behaviour, fuelled by binge drinking, can blight our neighbourhoods; and many are affected in their own homes as a result of domestic violence and the breakdown of relationships.

A British crime survey showed that half of all crime is alcohol related. In 2008, the then South Wales police chief constable warned people that

> "In Wales you are more likely to be assaulted by someone you know than anywhere else in the UK...alcohol plays a huge, huge role in it."

Similar findings were set out in the excellent report of the Select Committee on Home Affairs, produced in the previous Parliament under the chairmanship of my right hon. Friend the Member for Leicester East (Keith Vaz); I am pleased to see him here today.

Figures released last week show that Wales has among the highest rates of death in the UK linked to alcohol. Over Christmas in my local area of Gwent, as a result of the Wales drink-drive campaign 95 people were found to be over the limit. Despite the snow and ice and the wind chill factor to be found at 1,200 feet—a time when most sober people would not dream of driving—some drivers were on the road and over the limit.

I raised this matter in the Christmas recess Adjournment debate and called on the Government for tougher action. A recent Alcohol Concern report showed that more than 92,000 children and young people under the age of 18 were admitted to hospital as a result of alcohol misuse between 2002 and 2009. Girls are more likely to need hospital treatment than boys. Furthermore, a university of Manchester study found that some young women were consuming more than a week's allowance of alcohol units in a single night. Excessive drinking leads them to take more risks, such as walking home alone when drunk, particularly after they have sampled a ladies "drink for free" promotion. Since 1970, we have seen a threefold increase in cirrhosis, but it is ninefold for those under the age of 45. The age at which people develop cirrhosis has been falling, and even teenagers are now developing liver failure.

The Welsh Assembly rightly wants to take effective action to help people in Wales, but points out that the main levers for making the most significant change remain with the Government, who have the power to legislate on price, licensing and advertising—the Government did not accede to the Welsh Assembly's request for alcohol licensing powers to be devolved.

Another problem is the so-called pocket-money priced alcohol on offer in supermarkets. That can undermine local pubs, which are generally places of responsible drinking. My dad was a publican after working as a steelworker, and before becoming a bread delivery man. Other Members will doubtless wish to elaborate on the negative effect that such pricing can have on pubs and the local community.

Before going any further, may I say that when seeking to reduce harmful drinking we must, in tandem, provide adequate funding for alcohol research, treatment and prevention programmes, with sufficient training for health professionals to detect and manage those who have alcohol misuse problems.

The Minister with responsibility for public health, the Under-Secretary of State for Health, the hon. Member for Guildford (Anne Milton), said:

> "The Government alone cannot improve public health; we need to use all the tools in the box."—[*Official Report*, 21 December 2010; Vol. 520, c. 1351.]

I would argue that alcohol pricing is a high-powered tool—and one that should be used now.

The Government may be about to act—I give credit where it is due—but their proposed minimum price is too low. It covers only duty and VAT. As the National Retail Federation said, the Government's "duty plus VAT" definition woefully fails to cover the real cost of alcohol; 40p for a litre of cider can hardly be considered positive action. For me, it is the duty of Government to protect and promote the health of their citizens. I am unpersuaded by the concern expressed by the Wine and Spirit Trade Association that minimum pricing will hit responsible drinkers and hurt the poor the most. I cannot believe that responsible drinkers expect to get their alcohol at "duty plus VAT" prices, with no allowance for production or distribution costs.

Furthermore, as the Alcohol Health Alliance points out,

> "low alcohol prices means that responsible drinkers are subsidising the behaviour of the 25% of the population who are drinking at hazardous or harmful levels."

[Nick Smith]

The effect of a minimum price on moderate drinkers will be low, as they consume less alcohol. If a 50p minimum price were introduced, it would mean an increase in spending on alcohol of less than 23p a week for a moderate drinker; but a heavy drinker could pay slightly more than £3 a week.

As for the poor being most affected by high prices, I cannot repeat too often that alcohol misuse costs us £2.8 billion. If we include the cost of crime and absenteeism from work, the bill would be much higher. The Government clearly need some more detailed research. We know that the National Institute for Health and Clinical Excellence, the British Medical Association, the Association of Chief Police Officers and others have called for a realistic minimum price for alcohol. How can the Government justify a minimum price for alcohol that covers only taxes but not the production and distribution costs? Will that really reduce binge drinking in our towns, particularly among vulnerable young women? Perhaps the Minister will tell us.

A spokesperson for the British Liver Trust said on BBC News 24 that the Government's proposal would save 21 lives a year. That is good, but I understand that research commissioned by the Department of Health demonstrates that a minimum unit price of 20p, 30p, 40p and 50p would prevent 30, 300, 1,300 and 3,300 deaths respectively.

Andrew Griffiths (Burton) (Con): The hon. Gentleman wishes to increase the price of alcohol on the supermarket shelves and discourage the unscrupulous pricing behaviour that has been displayed. However, one of the unintended consequences of minimum pricing is that it could skew the market and encourage people to drink spirits such as vodka, which is becoming an increasing problem among young drinkers.

Nick Smith: The point about discouraging young people is powerfully made, and I know that unintended consequences can be a problem. That is why we need more research. Having said that, I still think the price suggested by the Government is way too low.

Hywel Williams (Arfon) (PC): Is it not more likely that minimum pricing will encourage young people to drink responsibly in public houses, thus supporting the traditional pub industry and also providing a degree of supervision?

Nick Smith: The hon. Gentleman makes a powerful point.

It is not surprising that the former chief medical officer, Sir Liam Donaldson, has called for a 50p minimum price per unit, as it is estimated that it could save 3,300 lives a year. Does not a proposal from such an eminent source, with a distinguished record of public service, merit serious consideration?

Jim Shannon (Strangford) (DUP): Does the hon. Gentleman agree that, along with the clear need to increase the price of alcohol, we need an education strategy from the Department of Health, perhaps to shock people into realising what would happen to them? Many who imbibe unfortunately end up with liver polyps at an early age. Does the hon. Gentleman agree that, along with the need for an education strategy from the Department of Health, we need a concerted campaign from the supermarkets?

Nick Smith: It is important that there be greater public awareness of the dangers of drinking excessive amounts of alcohol.

As yet, no legislative plans have been put before Parliament to implement the Government's half-measure to end below-cost selling. None is included in the Police Reform and Social Responsibility Bill that is currently in Committee. Will the Minister tell us how the Government intend to introduce their proposal? Will we have legislation now, or action in the Budget? Some more details would be helpful. Moreover, the Minister has said that the Government will consider the rate of duty on super-strength lagers, but how long will that take?

In opposition, the Conservatives promised to call time on drinks that fuel antisocial behaviour. The Government know that there is a clear link between the price of alcohol and the harms associated with alcohol, but they are too timid to tackle the matter. They are concerned that everyone will be penalised if realistic minimum pricing is introduced. As I said earlier, that argument does not hold water.

David Simpson (Upper Bann) (DUP): I apologise for being late, Mr Sheridan. I congratulate the hon. Gentleman on securing this debate. The research papers on this issue say that two thirds of the public believe that drinking in Britain is out of control. In my constituency, the fact that children as young as 10 can easily access alcohol is destroying lives. In my own business, in respect of which I declare an interest, a 16-year-old was recently diagnosed as being an alcoholic.

Nick Smith: The hon. Gentleman makes a powerful argument.

I am concerned that cinemas promote alcohol because young people can be easily influenced in such places. Alcohol marketing creates new young drinkers, many of whom, unfortunately, think it cool to drink in excess. We have to teach them how to enjoy a drink, as many of us do, without drinking too much. Therefore, more regulation may be necessary. France, for example, bans drink advertisements both in the cinema and on TV. It also has a great rugby team who play with real élan.

Finally, we have developed a culture in our country in which alcohol and sport go too easily together. We all remember the days when John Player sponsored cricket and Embassy sponsored snooker and darts. It is salutary to reflect on the fact that some of our greatest sports personalities, such as George Best and Alex Higgins, have fallen foul of too much drink.

We need a major cultural change, and out sports administrators should note the contradiction in alcohol sponsorship of sport and their primary goal of promoting sporting success and physical well-being for us all.

Watching the Heineken cup and having a pint is one of life's pleasures, but it would still be a great tournament if it was sponsored by another industry and drinking in moderation was seen as cool by young people.

9.43 am

Andrew Griffiths (Burton) (Con): I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on securing this hugely important debate. We all see the consequences of drinks pricing in our high streets and A and E departments, so I pay tribute to him for recognising the importance of this issue.

I am the vice-chairman of the all-party parliamentary beer group and the MP for Burton. I am proud to say that Burton is the home of British beer. We have Carling Black Label, Marston's Pedigree and Punch Taverns, which is the biggest pub company in the country. The Minister has been incredibly generous with his time. He has met members of the all-party parliamentary beer group, the Save the Pub group and the Campaign for Real Ale group. He has met the brewers and the pub owners and taken time to listen to the concerns and issues that so many of them face, and I thank him for that. I also thank him for recognising that pricing in the supermarkets is dangerous and is having an impact on our young people and on society. As a Government, it is important that we take action to tackle the problem. I doubt whether there is anybody in this Chamber who finds it acceptable for supermarkets to use alcohol as a loss-leader or as a giveaway to get people through the supermarket tills, yet that is what we are seeing daily.

I am glad that this Government have had the determination and confidence to produce legislation that, for the first time, not only recognises that cheap booze is a problem for society but sets out to do something about it. Sadly, though, like Oliver in "Oliver Twist", I have to say, "Please, Sir, can I have some more?" None of us here believes that the price level that has been set, although well intentioned, will have a massive effect on drinking behaviour, particularly among young people.

It is interesting to put the whole matter into context. In 1987, the price of a pint of lager in the pub was £1, and in an off-licence 70p. By 2010, the pub figure had gone up to £3 and the off-licence figure had stayed pretty much the same at about £1. We have seen prices in pubs increase by more than prices in off-licences over that period.

Mrs Jenny Chapman (Darlington) (Lab): I recently met the chair of one of the local working men's clubs in my constituency. After a debate about whether or not the club should allow in women, about which we did not agree, we spoke about the pricing of alcohol. The club is concerned about the pricing issue. It believes that aggressive, cheap offers from supermarkets and corner shops are a big attack on its very survival. Historically, working men's clubs are a key part of social life, particularly in the north-east, and we need to have that at the front of our minds when we consider minimum pricing levels.

Andrew Griffiths: If the hon. Lady would like to come to Rolleston working men's club in my constituency, she will be welcomed with open arms and provided with alcohol in a safe and regulated environment. We all recognise that the pub and the working men's club provide a safe, regulated environment in which people can enjoy a pint or a glass of wine and interact socially. They are the social hub of our communities. Unfortunately, supermarkets' pricing and their use of alcohol as a loss-leader is making it almost impossible for our pubs and clubs to compete. As a result, we have seen the shift in drinking behaviour. As I am sure that the Minister is aware, 70% of all alcohol is sold through the supermarkets. If we go back 20 years, the difference in the sale of beer between pubs and off-licences was 80:20; now, it is 50:50. We are seeing supermarkets constantly eroding pub sales.

Mr Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is dealing with a very important point that relates to the social issue associated with drinking. I am talking about parents who may be buying alcohol regularly from the supermarkets at a very low price. Poor parenting skills can result, which will lead to parents having problems at home with their children. That is a hidden issue that results from the pricing policy, and it needs to be resolved.

Andrew Griffiths: I agree with the hon. Gentleman. However, there are those who say, "Why should we penalise someone who wants to buy a 24-pack of strong lager and take it home and drink one can a night for 24 days? Why should we penalise that?" The reality, however, is different. The clients at the Burton addiction centre in my constituency will talk about the impact that cheap booze has on fuelling people's drinking consumption.

Mr Christopher Chope (Christchurch) (Con): My hon. Friend seems to be against these loss-leaders. Would he outlaw loss-leaders for chocolate, salt, butter and other things that are not good for us if we take them in excess?

Andrew Griffiths: My hon. Friend makes a very important point. However, I cannot remember the last time I was on Burton high street and saw two guys knocking seven bells out of each other over a Toblerone. I also cannot remember the last time I was in Queen's hospital A and E and doctors were pumping somebody's stomach because they had overdosed on too much butter. The reality is that alcohol is a very different beast from things such as chocolate.

Mr Chope: Surely the issue is not whether alcohol is distinct from other products, but the use made of it by the people who consume it. Is my hon. Friend not in danger of victimising people, particularly poor families, who benefit from these loss-leaders? He is trying to put forward the argument that, by penalising those poor families, he will tackle the problem of binge drinking, which I do not think he will.

Andrew Griffiths: I recognise my hon. Friend's concern, but the people we are penalising are the taxpayers, who have to pay for the consequences of binge drinking through the costs of extra policing and the impacts on A and E departments. Furthermore, if I am being brutally honest it is those poor families who suffer most as a result of cheap alcohol. Young people and poor families are much more price-sensitive to alcohol than others.

Dr William McCrea (South Antrim) (DUP): Surely there is a more basic problem. The nation's increasing addiction to alcohol is placing a huge strain upon the NHS—£2.7 billion a year. Surely we are talking on many occasions about treating the consequences of alcohol-related harm, rather than taking early action to prevent alcohol problems.

Andrew Griffiths: The hon. Gentleman gets right to the nub of the problem. I think we all recognise that a pub or a club is a supervised environment in which people can safely consume alcohol. When I was a young man, many was the time when I might have had a half of lager too much, or a half of Marston's Pedigree too much, and somebody—my parents, my friends or somebody else a bit older and wiser than me—might have said, "Right, son, you've had enough, it's time to go home", or the barman might have said, "I'm sorry, sir, I'm not serving you any more, you've had too much". However, the reality now is that too many young people are drinking to excess in an unsupervised manner.

The real problem is not only the price disparity. In recent years, there has been a massive increase in the regulatory burden placed on pubs and clubs—the smoking ban, for example—and a constant increase in the amount of red tape and supervision associated with dealing with the consequences of binge drinking. Actually, in many cases the pub only sells the last pint, because young people in particular are "pre-loading" before going out. When they get to the pub—increasingly, at later times in the evening—they are half-cut and the pubs have to deal with the consequences of that, including the fights and other problems. The danger is that we are loading too much of the burden on to pubs, when actually the supermarkets are driving a lot of this antisocial behaviour.

The previous Government did a lot of work with publicans to prohibit the "two for one" offer, the "happy hour" and the "drink as much as you can for a tenner" promotions that were fuelling excessive drinking. The pub industry, working with Government, took action to try to prevent those promotions—and yet it is perfectly okay for someone to buy a 24-pack of Stella or another strong lager from a supermarket. There are no restrictions on that.

Supermarkets are using beer as a loss-leader. We have seen the impact that supermarkets have had on milk and the dairy market through driving down the price of milk. They are doing the same with bread, and now they are using alcohol as a loss-leader. That is very dangerous and is sending out completely the wrong message to young people.

I thank the Minister very much for what the Government have done so far, but it is not enough. We need to go further. What we are all hoping for is some recognition today that this is the first step on a journey. The Minister will himself admit that if we agree that cheap alcohol is a problem, the question must arise, "How cheap is too cheap?" Is he honestly saying that he thinks we have got to where we need to get to on alcohol pricing, when we are still selling cider at 20p a can, beer at 38p a can and wine at £1.99?

If the Government and the Minister's intentions are to be delivered, any solution must lead to an increase in the price of alcohol on the supermarket shelf. We need the Minister to take that idea forward and drive it home. I know that, like me, he has been frustrated that, with below-cost selling, we have not yet been able to find a solution that satisfies both the lawyers in Brussels and the industry here. I hope that today, he will issue another declaration to the industry, asking it to come forward with ideas on a meaningful definition of below-cost selling that includes the cost of production, so that we can see an increase in the price of alcohol on supermarket shelves and begin to tackle some of the supermarkets' deeply dangerous activities.

Several hon. Members *rose—*

Jim Sheridan (in the Chair): Order. Several right hon. and hon. Members have indicated that they wish to speak. It is my intention to call the Front-Bench spokesmen from 10.30 am, so I ask speakers to take that into consideration when they make their contributions.

9.56 am

Keith Vaz (Leicester East) (Lab): It is a pleasure to be present in a debate under your chairmanship, Mr Sheridan, and to follow the hon. Member for Burton (Andrew Griffiths), who made an eloquent and thoughtful speech.

I think that this is going to be a great debate. It will also provide a lot of information for political diarists. We have already heard this morning about butter-related crime, or the possibility of butter-related crime, from the hon. Member for Christchurch (Mr Chope); we have heard the hon. Member for Burton offer the working men in his constituency the prospect of welcoming my hon. Friend the Member for Darlington (Mrs Chapman) with open arms, and we have also heard about the Minister's various meetings with beer groups, of which I am sure there are many, although some will think that the Minister, with his youthful good looks, might not even be old enough to drink.

Having said that, this is a very serious issue and I pay tribute to my hon. Friend the Member for Blaenau Gwent (Nick Smith) for choosing it for a debate. It has attracted so many right hon. and hon. Members to Westminster Hall on a Wednesday morning, each one of whom has a constituency interest and a desire to ensure that we continue to move in the right direction.

Other Members here will be able to talk about the health aspects of the issue, for example, the hon. Member for Totnes (Dr Wollaston), who has vast experience in the NHS. Indeed, my hon. Friend the Member for Blaenau Gwent and the hon. Member for Burton both mentioned the cost of binge drinking to our health service and the health of the nation.

In the next few minutes, I want to concentrate on alcohol-related crime and the report of the Select Committee on Home Affairs, "Policing in the 21st Century", to which my hon. Friend the Member for Blaenau Gwent referred. That report was published last year and it addressed the cost to the taxpayer and to the public of alcohol-related crime. When our Committee began the inquiry that led to that report, we were looking at what a police officer did with his or her time; we never intended to look at alcohol-related crime. It was only after we had visited a number of town centres, including Colchester, that we did so. The hon. Member for Colchester (Bob Russell), who was then a member of the Committee, invited the Committee to visit Colchester and hear from local police officers there about the amount of time that they spent on alcohol-related crime, especially on a Friday or Saturday evening. The latest estimate is that 70% of police officers feel that they are distracted from other aspects of policing because they are dealing with alcohol-related crime.

A statistic was sent to the Committee from the Cabinet Office showing that it costs £59 extra to process someone in a police station who has been arrested because of alcohol-related crime. In the current climate, the Government want to save money on policing, and there is no better way of doing that than to have responsible laws that reduce the time that police officers spend on this issue.

Mr Chope: I do not think that anyone will disagree with the right hon. Gentleman about the problem, but how will limiting the price at which supermarkets sell alcohol be the solution? We know from our constituencies that it is alleged that small shops, where alcohol is sold at a much higher price than at the supermarkets, enable young people under the legal age to access booze.

Keith Vaz: I have huge respect for the hon. Gentleman because he was my Greater London councillor when I was in Richmond many years ago. I have always had a great deal of time for what he says, but I think that he is wrong on this issue. It is not the little shops or the pubs, but the supermarkets, that cause the problem. The evidence is clear, and it is in our report. As the hon. Member for Burton has pointed out, people get tanked up before they go out on a Saturday night, because of supermarkets' special offers, which make beer cheaper than bottled water, even the cheapest water—I am not saying that we should not drink tap water.

Mrs Chapman: I do not know where the hon. Member for Christchurch (Mr Chope) lives, but where I live I have noticed that small shops are actually becoming supermarkets, and those Tesco Metros and Sainsbury's Locals have the same cut-price promotions on alcohol, which occupies a larger proportion of shelf or floor space than it does in a larger store. Such stores are taking over territory that we might like to see remain with small local traditional shops.

Keith Vaz: My hon. Friend is absolutely right. She tries to tempt me down Leicester high street, especially the Melton road, where we are currently fighting an application by Tesco to build one of its supermarkets in the middle of one of my main shopping areas.

My hon. Friend the Member for Blaenau Gwent mentioned the cost to the health service, but the cost to the taxpayer as far as crime is concerned is £7.3 billion a year—a huge amount. What do we do about that? It is in the hands of the Minister. At the last Home Office questions, I got up to praise the Home Secretary for moving in the right direction. We could not get the previous Government to do this; I do not know why. It is not that they were not concerned about the matter—I think that they were worried about alcohol-related crime and the pressure on the health service—but that the debate perhaps got distracted by claims that somehow the extension of licensing hours meant that people were drinking more alcohol. I do not think that that is correct, but as someone who does not drink alcohol, and has no constituency interest—no distilleries or production units—I feel that the previous Government should have taken up the Select Committee's recommendations. This Government are moving in the right direction, but not far enough, as I think we will find from the contributions of most Members here this morning.

Some would say that the hon. Member for Burton has the most to lose because of the production in his town. I have visited Burton and been to the Coors headquarters there. It is a remarkable town, and the world centre of beer making, but down the high street there is an alcohol addiction centre—how very convenient. The people I visited made the case for minimum pricing, so if they can do that, we can look at the issue very seriously. There is something of a practical nature that the Minister can do, picking up on what the hon. Member for Gainsborough said.

Mr Chope: I represent Christchurch.

Keith Vaz: Oh, I am so sorry: Christchurch, of course. How could I confuse the hon. Gentleman with the hon. Member for Gainsborough (Mr Leigh)?

What the Minister needs to do is to get the chairmen and chief executives of the five biggest supermarkets around the table for an alcohol-free sandwich lunch with both him and the Home Secretary, to discuss the issues. It is in their hands; they can do this.

Dr McCrea: Does the right hon. Gentleman not agree that if we are going to make a difference, the Government need to confront not only the supermarket low prices, but the non-stop availability of alcohol and the saturation of its advertising?

Keith Vaz: The hon. Gentleman is absolutely right. Those issues have to be considered.

I shall end here, because so many other Members wish to contribute. The Government are moving in the right direction, but they have not accepted all the Select Committee's recommendations. I make a plea to the Government to get those supermarkets together—that is in their hands—and I say to the Minister, "Do not be afraid." I know that supermarkets are powerful organisations; we face them in our constituencies, and some of our constituents actually shop at them—I do. The fact is, however, that on this issue we need to make progress, and it needs to be now.

Several hon. Members *rose*—

Jim Sheridan (in the Chair): Order. I am reliably informed that both Front-Bench spokespeople are content to extend the licensing hour for Back-Bench speeches to 10.40 am.

10.6 am

Greg Mulholland (Leeds North West) (LD): I thank both Front Benchers for their generosity.

I shall try to keep my comments brief. I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on securing this important and timely debate, after the Government's recent welcome announcement. I speak today as chair of the all-party save the pub group. I am not sure whether the hon. Gentleman is a member, but if he is not, we would certainly be delighted to have him, particularly now that we know he is from a publican family.

I welcome the Government's announcement, which is in itself a significant step that should be recognised. This debate has gone on for a long time, and I am pleased that the Government have acted quickly in the first year of this parliamentary term. Having said that,

[Greg Mulholland]

there are frustrations that my hon. Friend the Member for Burton (Andrew Griffiths) and I have expressed, both privately and publicly. I echo my hon. Friend's comments about the Minister having being generous with his time and having sought to listen to people with an interest in pubs, and many others. He is right to do so, because that is a good way to make policy. However, I share the frustration, as do the majority of the all-party group members, that what the Government have done has not stopped below-cost selling. I want to make it absolutely clear that I do not support per unit minimum pricing. That is where the difference of opinion lies, and that is the challenge facing the Government.

Minimum pricing is not the way to solve the problems. As a Front-Bench Liberal Democrat health spokesperson, I said in a debate that minimum pricing is only part of the solution to two problems. The first is alcohol abuse, and it is important that we concentrate on "alcohol abuse" rather than on rather arbitrary terms such as "binge drinking," because some of the definitions are confusing. We are talking about problem drinking, which is drinking that leads to health problems, antisocial behaviour or crime, and that is what we all, as policy makers, should concentrate on.

The second problem is the situation facing pubs and the huge discrepancy that has developed over the past few years. We have to accept that minimum pricing is not a silver bullet to solve either of those problems, but I have heard people both inside and outside this House suggest that it is. Such problems are not solved so simply. Year-on-year duty increases, particularly on beer, have done nothing whatsoever to stop the problems and, in fact, as the duty has increased the culture of alcohol-fuelled antisocial behaviour has got worse.

I highlight to the Minister, because I know that he is interested in the issue, that there is a conversation that he needs to have with his colleagues in the Treasury. May I make a plea? We do not want another duty rise in the forthcoming Budget, because it will damage pubs further. The hon. Member for Blaenau Gwent was absolutely right that well-run pubs and working men's clubs that serve as hubs for their communities not only provide regulated, controlled places for people to enjoy alcohol responsibly in a supervised atmosphere but create a different culture of enjoying alcohol in a community setting, generally with people of all ages. That leads to a different approach to alcohol and prevents some of the problems identified by the Select Committee Chair, the right hon. Member for Leicester East (Keith Vaz), including pre-loading and under-age drinking in parks and unsupervised settings such as houses where parents are out, which is where many problems occur.

The duty question is more interesting still. Who pays duty? It is not the supermarkets. That is one of the huge flaws in the argument for a rise in duty. Duty is paid by manufacturers and producers, which includes not only Coors in Burton but WharfeBank Brewery in my constituency. Breweries must pay duty on the 20th day of the month of invoice. It is a considerable payment for some of them, but when supermarkets buy beer from breweries, including small breweries on tight margins, they do not pay them for months, often for three months and sometimes longer. As usual, supermarkets exploit their dominant market share.

Andrew Griffiths: The hon. Gentleman is absolutely right. Coors, a fine brewer in my constituency, has extended the terms on which it pays its suppliers from 30 days to 90 days. It is having a considerable impact, particularly on small businesses.

Greg Mulholland: My hon. Friend makes a good point.

Why would supermarkets not welcome either a genuine ban on below-cost selling, which I support, or a minimum price per unit, which other hon. Members support? Those approaches would increase their revenue, but they sell cheap alcohol for other reasons. Let us face it: supermarkets have virtually destroyed the stand-alone off-licence trade in this country. Names such as Threshers disappeared some time ago. We must remember that pubs, working men's clubs, stand-alone off-licences and corner shops cannot sell alcohol below cost, because they rely on a reasonable margin on alcohol for their profits. There is something more sinister going on. Below-cost selling is a way to attract people into stores and maintain supermarkets' power over manufacturers, some of which, unlike Coors, are too small to argue. That situation is causing a problem.

I accept that the issue is difficult, but we must come up with a definition of below-cost selling that includes the cost of production. I realise that we are on the first step, and I accept that the issue is difficult to define, but to say that below-cost selling simply involves tax suggests that supermarkets buy alcohol for nothing. They might take a long time to pay, but they clearly pay something. The price that they pay is often unreasonable, exactly as it is for the milk that they purchase from dairy farmers, but there is nevertheless a price. It cannot be impossible to include in the equation the price that the supermarkets must pay. That is the challenge, and I look forward to working with the Minister on it over time.

I accept some of the concerns aired by the hon. Member for Christchurch (Mr Chope). This is not about social engineering, moralising or saying that we should not sometimes welcome a reasonable deal and the chance to get a couple of pounds off a bottle of wine in a supermarket. Indeed, many people are concerned that if we set a high minimum price, that chance would disappear. There would also be other unintended consequences. For example, apart from increasing supermarket revenues, which is surely perverse, it could have the surprising effect of pushing up the price of a bottle of wine that currently costs £3.50 and is not worth more than that, and making good bottles of wine more expensive, which is not what any of us want. People should be allowed to enjoy alcohol sensibly without sudden unacceptable inflationary pressures.

I am concerned to stop the irresponsible selling of alcohol, which I am glad to say has been largely stamped out in the on trade but is, sadly, still alive and well, particularly in supermarkets. The Government have made a good start, but they can go further. I know that the Minister is listening, and I look forward to working with him and his team to close the unacceptable gap that has done so much damage to pubs, which are part of the solution to problem drinking, and to do something—we must recognise that it is only something—to deal with the problems associated with alcohol abuse that other hon. Members have rightly discussed.

10.16 am

Tracey Crouch (Chatham and Aylesford) (Con): I am delighted to speak under your chairmanship, Mr Sheridan. I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on securing this important debate. As vice-chair of the all-party group on alcohol misuse, I believe that this is an incredibly important issue for all hon. Members, and I welcome the Government's commitment to tackling the serious issue of alcohol abuse. The proposal to introduce a minimum price for alcohol is undoubtedly a small step in the right direction, although I say that having listened to the hon. Member for Leeds North West (Greg Mulholland), who says the opposite.

I want to say clearly and early in my contribution that minimum pricing is just one aspect of what must be done to deal with increasing dependency on alcohol. I look forward to future statements by the Government on their alcohol strategy. In my view, treatment and rehabilitation services in this country are poor, availability is limited and service is disjointed across agencies. Little is done to help individuals and families ripped apart by alcoholism. The availability of cheap alcohol has undoubtedly encouraged the kind of drinking and antisocial behaviour that blights town centres each weekend. A culture, which is exclusive in many respects to British streets, has emerged in which it is fashionable to drink more than one is capable of. As a consequence, ill health and antisocial behaviour have become common.

The cost to the NHS of alcohol-related harm resulting from that culture is alarming. The statistics are well known, but one indication of strain on the NHS can be seen in the proxy services dedicated to treating binge drinkers. An SOS bus patrols Medway towns on Friday and Saturday nights, providing services to inebriated revellers. I visited it recently, albeit early in the evening, as I did not particularly want to see the consequences of heavy drinking. The dedicated volunteers are amazing and divert pressure away from the blue-light services, keeping vulnerable and very drunk youngsters safe. I certainly intend to try to protect that service during these financially constrained times, but it is a sad indictment of our weekend drinking culture that it is needed in the first place.

On minimum pricing, evidence points to a link between cost and sales. The theory is, obviously, that as cost rises, demand will fall. That might be a basic economic mechanism, and in principle it should make minimum alcohol pricing an effective policy for driving down dangerous levels of alcohol consumption, but the decision to set the base at the low rate of duty plus VAT is clearly controversial, and it remains to be seen whether it will work.

I share the concerns expressed by colleagues and others that such a policy will do little to help our beleaguered public houses, which must now compete with supermarkets rather than each other. I was interested to hear the price statistics quoted by my hon. Friend the Member for Burton (Andrew Griffiths), but I do not believe that the proposal will help tackle long-term alcohol dependency. It will be a small step in the right direction, if its aim is solely to clamp down on aspects of binge drinking such as pre-loading, which other hon. Members have discussed and the sole motivation of which is keeping the costs of a night out to minimum. Most leave their homes already very drunk, which prompts the question why they are allowed to continue consuming alcohol in licensed premises having already drunk enough before they arrive. As others have pointed out in this debate and others, one of the good things about public houses is that responsible landlords tend to prevent overly drunk and disorderly behaviour by stepping in and refusing to serve those whom they believe have had enough to drink.

As my hon. Friend, drawing on his experience, has pointed out, minimum pricing will, in theory, abolish the deep discounting that encourages that kind of drinking, thus equalising the cost of a night out and driving down alcohol consumption. However, the low minimum price proposed will only stop the very worst cases of discounting, and it may play out differently in practice. Therefore, bolder proposals should still be considered, targeting specific drinks associated with binge drinking, such as strong lagers, white ciders and alcopops.

It is important that we in this Chamber give credit where it is due. I was pleased to learn that Heineken, which produces White Lightning, recently discontinued the product due to its binge-drinking connotations. It should be commended for acknowledging the need to reinforce its stance on responsible drinking.

We must consider the limited scope of the policy and the likelihood that it will make headway only with a certain type of drinker. There is a growing dependency culture, and it is often hidden behind the closed doors of houses throughout the country. They are difficult to identify and affluent enough to absorb any increase in price, especially something as low as duty plus VAT. However, just because the minimum price does not impact upon them directly, that does not make them any less of a concern or any less dependent on alcohol and at risk of serious health issues in years to come. Current research reinforces that concern, because wealthy districts dominate the top of hazardous-drinking league tables. Although minimum pricing will target the binge drinkers who do it on the cheap, it is clear that it will do little to tackle alcohol dependency as a whole.

I appreciate that the Government have to balance their strategy of introducing a policy that meets their stated aims of reducing dangerous levels of alcohol consumption while not penalising the vast majority who enjoy alcohol sensibly. The question is: does this minimum price do that?

The pricing of alcohol is only part of the problem. It must be introduced in conjunction with a review of the late-night licences available to establishments, stricter alcohol-control zones and a close examination of the quality of treatment and rehab offered to those with a high dependency.

David Simpson: Will the hon. Lady join me in congratulating the Scottish Health Minister, who introduced a price structure in relation to vodka last September? As has been mentioned, the minimum price used to be £7.97, but it is now £11.81 under the new structure, which also applies to some beers. We encourage all the regions, including the Northern Ireland Assembly, to do the same.

Tracey Crouch: I thank the hon. Gentleman for his intervention. I have read about the new proposals in Scotland, which are currently being debated. We should

[Tracey Crouch]

look at what is happening in Scotland. Indeed, we should have looked at what was happening there in relation to the 24-hour drinking culture before it was introduced here. The evidence that the police had gathered in Scotland should have been made available to the previous Government before they introduced the licensing extension.

In conclusion, we need to engage with the professional classes and young adults who regularly drink to hazardous levels, and target those establishments that prop up the binge-drinking culture through irresponsible sales and business practices. If we can in any way reduce the weekend strain on the NHS, the police and the local authorities that clear up the mess created by binge drinking, we can certainly hail this as a small step in the right direction. However, in order to reduce dependency on alcohol across the board and to stem the devastating effects that it has on the lives of individuals and families, let alone its financial cost to society, so much more needs to be done.

10.25 am

Hywel Williams (Arfon) (PC): I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on securing this important debate.

I enjoy real beer and good wine, and support a traditional pub. One of the most enjoyable experiences of my early career as an MP was to open Bragdy Mws Piws, which, for those present who are not blessed with the Welsh language, is the Purple Moose Brewery in Porthmadog. I commend its excellent products.

Alcohol is a problem, and I need not go into much detail because many hon. Members have already done so. I was a psychiatric social worker for eight years and I would like to talk about three cases that I came across during that time. First, I once went to a club near Blaenau Gwent and had to drag one of my colleagues out at lunch time because he had been drinking a pint of cloudy scrumpy that retailed at 8p a pint. Its effects on him were dreadful. Of my second example, I need only say that the person in question was an alcoholic roofer—I need not spell out the consequences. The third, and most tragic, case relates to an elderly man with whom I worked with a noted local psychiatrist, Dr Dafydd Alun Jones, who has had a long career in the field. The elderly man had had a lifetime of heavy drinking and he was abstinent at that time, but occasionally he would have what he called "lapses" when he would go out and drink heavily for a few days, which he would then regret at his leisure.

Huge efforts have been made to combat the effects of alcohol. My constituency of Arfon has CAIS, the local alcohol and drugs council. Interestingly, a couple of weeks ago I went out with the Bangor Street Pastors, a local voluntary group that goes out on Fridays and Saturdays at 1, 2 and 3 o'clock in the morning to help vulnerable young people who are clearly worse for wear due to alcohol. The volunteers back up the emergency services, and the police appreciate what they do. I talked with the police when I was out a couple of weeks ago, and they pointed out the effects on their work of having to be out at 2 and 3 o'clock in the morning when their shift pattern did not really allow for it.

The hon. Gentleman referred to some of the Welsh statistics. I will not detain the Chamber with too many, but Alcohol Concern Cymru estimates that there are 13,000 alcohol-related hospital admissions and 1,000 alcohol-related deaths in Wales each year. It also estimates that half the violent incidents in Wales are related to alcohol and that the cost of alcohol misuse to the NHS in Wales is between £70 million and £85 million a year, and that is just for treatment by accident and emergency services. That is a huge cost to public services, but it does not reflect the pain, grief and intense stress that many families, not just the drinker, experience.

England has similar statistics, but I will not go into them now, other than to say that it is estimated that 17 million working days are lost per annum. I am sorry that the hon. Member for Christchurch (Mr Chope) has left the Chamber, because that is one of the definite effects on trade and industry, about which I know he is concerned. The cost of alcohol-related crime in England is £4.7 billion a year.

As has been mentioned, the Scottish Government have tried to act. They commissioned research that showed that a minimum price per unit of alcohol of 40p could reduce alcohol-related deaths in Scotland by 70 in the first year, rising to 370 a year after 10 years, so there would be a cumulative effect.

Many of the arguments are in favour of addressing the price issue. I welcome the Government's proposals to prevent retailers from selling alcohol below duty plus VAT, and I am glad that they accept the arguments about the effect of cheap drink and the need to act.

However, I fear that the proposals will hit only the special offers. In some of the briefing material available to us, the Alcohol Health Alliance has said that the proposals would have

"no meaningful impact on the health consequences of alcohol misuse."

I do not know whether that is the case, but the Government should look at the matter further. A minimum unit price is not a silver bullet, as I think everybody recognises. We need concerted action on several fronts, including on licensing hours and the number of outlets. When I first started drinking many years ago, very few places sold alcohol. It now seems that every corner shop or garage has alcohol for sale.

I conclude by noting briefly that my party, Plaid Cymru, is in favour of a minimum price of 50p per unit. That is also the policy of the Welsh Assembly Government. We argue that such an approach would reduce consumption and lead to a lower consumption of very strong drinks. That would have a particular effect on young people. Someone asked earlier about the temptation to drink vodka if there were a minimum price. My knowledge of young people unfortunately shows that they need no encouragement to drink vodka; they seem to do it without any encouragement whatsoever.

As I said, the argument in my party also centres on the beneficial effects on the traditional pub. In the past, we have asked for pub licensing to be devolved. That came up when discussing the previous Government's changes to the licensing scheme. The Welsh Government have asked for the rights to impose a minimum price per unit but, unfortunately, that has been refused. I therefore ask the Minister in the long term—I do not expect to

have an answer from him this morning—to reconsider the devolution of licensing powers to the Welsh Government and the refusal to allow the Welsh Government to set a minimum price.

10.32 am

Stephen Gilbert (St Austell and Newquay) (LD): I am conscious of the time, so I will not delay hon. Members by going through some of the statistics on the type of harm that alcohol is causing in my constituency—they are firmly on the record. That is particularly the case in Newquay, where many people go to have a very good time—often too much of a good time. I should put an interest on record. Like many hon. Members, I enjoy a drink from time to time, and I also have a brewery in my constituency in St Austell.

For the Minister's benefit, I want to touch on one of the potentially unintended effects of the duty plus VAT regime that the Government are introducing. When the Minister introduced the policy, he said that it was "an important first step." I agree with that, but it is also a very tentative step. In fact, in certain circumstances, industry representatives have said to me that the policy could make the price of alcohol lower in some retail establishments. As has been mentioned by other hon. Friends, the proposal does not factor in any sense of the cost of production. Retailers and wholesalers, neither of which will be taking any margin, could end up paying the duty plus VAT and reducing the cost as part of a marketing exercise—brand awareness—and an attempt to drive footfall.

Just before Christmas, if someone had £20 and went into a store with a promotion on, they might have been able to get three 15 packs of beer or cider—about 45 cans. Under the Government's proposals, supermarkets can legitimately charge £20 for 52 cans of lager or a staggering 107 cans of cider. That is a great offer for someone who likes that kind of thing. The proposals mean that, for £20, someone could buy enough cider to meet their recommended daily alcohol consumption for three months—107 cans of cider is equivalent to 246 units.

Dr Sarah Wollaston (Totnes) (Con) *rose—*

Stephen Gilbert: I will not give way. I know my hon. Friend wants to get in, so I will try to rattle through the points that I want to make.

Potentially, under a duty plus VAT arrangement, the following could be purchased for £20: not 45 cans of beer but 52; not 45 cans of cider but 107; not six bottles of wine but 10, and almost two bottles of spirits.

As has been mentioned, the policy does not factor in costs of production and is a very tentative step forward. There is a big discrepancy between the price of beer and the price of cider. We have to consider whether the Treasury is taxing those products equally. If we consider beer, at 4.2% alcohol by volume, the duty per unit is 17p; for cider, at 4.5% ABV, it is 7p per unit. Beer tax has increased by 50% over seven years and the gap between beer and cider tax widens every year. The Treasury is estimated to be losing £400 million a year. I shall now sit down, so that my hon. Friend can make her contribution.

10.35 am

Dr Sarah Wollaston (Totnes) (Con): There are only a few minutes left, so I shall address just four issues. Is it worth it? Will it work? Is it unfair? How can we do it? We have heard many statistics this morning, on which I will not dwell in the short time I have. Suffice it to say that nearly 15,000 people died of deaths attributable to alcohol in 2005, and they are the tip of the iceberg. Those figures do not take account of the person knocked over by a drunk driver or people whose deaths were perhaps attributable to alcohol in ways that are not recorded in the true statistics. We underestimate the scale of the problem. On the human cost, as an NHS doctor for 24 years and a police surgeon, I cannot begin to tell hon. Members the hideous nature of a slow death from alcoholic psoriasis.

Will the policy work? Yes, there is very clear evidence that it will. Several meta-analyses were studied in the university of Sheffield report that was commissioned by the previous Government. Those show that it is clear that pricing is a very good mechanism not only for controlling overall consumption, but for targeting those who are most at risk: young people and heavy drinkers.

On the question of whether the policy is unfair, let us consider the statistics. Someone from a deprived area is three to five times more likely than someone living in an affluent area to die of an alcohol-specific cause. In addition, they are two to three times more likely to die of an alcohol-related cause and two to five times more likely to be admitted to hospital for an alcohol-related cause. It is completely untrue to say that we penalise low-income families by addressing the problem. That group of people is most at risk. If we consider the statistics on children who are affected and the figures on domestic violence, again, there is a skewing towards lower-income families. We should address that matter and not hide it under the carpet.

Time is very short so, finally, how can we do it? There are various ways. We could, for example, look at varying VAT. I recently wrote to the Treasury to provide a copy of an article written by Nick Sheron that was published in the *British Medical Journal*. He argues that we can achieve minimum pricing by varying VAT, and that we should perhaps lower VAT on on-licence sales of alcohol. That would mean that we protect the licensed trade. I think everyone would accept that we do not want to penalise pubs. Simply using the blunt instrument of raising duty is the incorrect way forward, but having a variable rate of VAT would be an interesting method, allowing us to protect the on-licence trade. Unfortunately, the Economic Secretary has written back to me to say that she feels that that would be illegal under EU law.

Under EU law, we cannot make supermarkets have different ways of adjusting to adopt such proposals, so the alternative is to introduce minimum pricing across the board. That is worth doing. I know that the Treasury feels that such an approach would perhaps deprive it of income, but we are all paying a very heavy price in costs to the criminal justice system and to the health service. Many hon. Members have cited the £2.7 billion figure in relation to the health service, but it is probably more than that. Certainly, the cost overall to our economy is nearer to £20 billion than some of the lower figures that have been cited today. If we can address that, the Treasury would benefit indirectly, if not directly.

[Dr Sarah Wollaston]

I shall mention a final mechanism. There are 30.4 billion units of alcohol sold in the off-trade. Perhaps we should consider introducing a levy just on the off-trade of 5p to 7p a unit on all off-licence sales. That would still leave 18 billion units of on-licence sales of alcohol unaffected. Perhaps that is another mechanism that could looked at by the Treasury, which could benefit more directly while trying to achieve something closer to 50p a unit. Like many hon. Members, I do not seriously believe that the Government's current proposals, while a step in the right direction, will have any meaningful impact on severe problem drinkers, particularly young binge drinkers.

10.40 am

Diana Johnson (Kingston upon Hull North) (Lab): It is a pleasure to serve under your chairmanship, Mr Sheridan. I congratulate my hon. Friend the Member for Blaenau Gwent (Nick Smith) on securing the debate and on his excellent speech. I know about his long-standing interest in this particular problem, as well as his concern about wider health matters.

This debate has been interesting. I certainly feel that I have learned a lot about the drinking habits, or not, of a number of hon. and right hon. Members in this Chamber. The hon. Member for Burton (Andrew Griffiths) gave an interesting speech about how alcohol is a major issue for his constituency, which is a centre of brewing. My right hon. Friend the Member for Leicester East (Keith Vaz), who is the distinguished Chair of the Home Affairs Committee, talked about the information that he has gleaned from looking at policing and the effect of alcohol. The hon. Member for Leeds North West (Greg Mulholland), who is a doughty campaigner for pubs, discussed how we can tackle the problems of alcohol, which we clearly have, and the important community role for pubs. The hon. Member for Chatham and Aylesford (Tracey Crouch) talked about her experience in her constituency. The hon. Member for Arfon (Hywel Williams) talked about his experience as a social worker in dealing with clients and about what was happening on the streets of his constituency late at night. The hon. Member for St Austell and Newquay (Stephen Gilbert) gave very clear examples of what can be bought for £20, which was fascinating. The hon. Member for Totnes (Dr Wollaston) spoke with a great deal of experience and knowledge of the effects of alcohol on health, and her last point about a potential off-trade levy should be considered.

It is clear that, as a country, we have a problem with alcohol. My hon. Friend the Member for Blaenau Gwent has supplied statistics about the effect of alcohol as it relates to Wales. We need to do something about this issue. Last week, we heard more disturbing statistics about liver disease in young people. The number of young drinkers admitted to hospital with liver problems has risen by more than 50% in the past 10 years.

In government, the Labour party started to address some of the problems relating to alcohol—for example, the Policing and Crime Act 2009 banned irresponsible drinks promotions. We all agree that we need to do more and to go further. From this morning's debate, it is clear that we need to go further than the coalition Government's current proposals, announced on 18 January, to ban the below-cost pricing of alcohol. As I understand it, that equates to minimum pricing of approximately 21p a unit for beer and 28p a unit for spirits. Under those plans, the lowest possible price for a can of lager in a supermarket would range from 38p to 78p, depending on its strength. Most drinks would be unaffected by that proposal, as that works out at as little as 47p a pint for lagers. My right hon. Friend the Member for Leicester East has pointed out that that means that many soft drinks and mineral waters would still be more expensive than alcohol bought in the supermarket.

The Campaign for Real Ale has pointed out that in banning below-cost prices, the cost of production should be included. That would raise the floor price to 40p per unit, which is almost double the 21p per unit that will be the norm under coalition Government plans. In a quick survey by my office yesterday in the Tesco nearest to Parliament, we found that typical prices were four large 440 ml cans of Stella for £3.30, and four 440 ml cans of Strongbow for £4.25, or two for £7. Clearly, there is an issue with the pricing that will be introduced in the proposals from the Government. Those prices are typical up and down the country. Hon. Members have discussed what is happening in their own constituencies, and I know this from my own constituency in Hull.

We have heard about the proposal from the former chief medical officer for England, Sir Liam Donaldson, who, in March 2009, proposed a 50p a unit minimum pricing level. That would increase the price of all bottles of wine to at least £4.50 and raise the price of the average six-pack of lager to £6.

A number of concerns have been raised both in this debate and beyond. One concern, as I have just set out, is whether the retail price will make any real difference to influencing the excessive drinking that we have seen in recent years to a move towards greater moderation. There is also the question why responsible drinkers should be penalised by having to pay more, when they are not in any way part of the problem. That is a fair point, which has carried the day in debate for many years. It may be difficult to devise a way of dealing with irresponsible drinking, while leaving those people who just have an occasional glass of wine or pint of beer unaffected.

We need to consider the pricing mechanism, because if we do not do so, we will deny ourselves one of the most potentially useful weapons in reforming destructive behaviour as a result of alcohol. There is much to be gained for the responsible drinker from looking at pricing. Set against higher prices for alcohol, there are costs that can be saved in the areas of policing, cleaning the streets, and repairing vandalism, as well as the benefit to the NHS and the general welfare state. Perhaps the Minister will consider highlighting more clearly the costs incurred by society due to the abuse of alcohol and making the case more strongly for looking at higher prices. Any pricing changes must be seen not only as increasing the Treasury tax take, as the recent VAT change does, but a reform that is firmly for the health of our society and everyone in it.

We have heard much today about how drinking habits have changed over the years. People buy their alcohol cheaply in the supermarket, often in bulk, and consume it at home. That is referred to up north as "getting tanked up", but I think that the technical word is "pre-loading". People then go out later in the evening to take advantage of the later licensing hours, and so

end up spending less in the pubs and clubs, having spent more with the supermarkets. The hon. Member for Burton has discussed his experience, perhaps when he was slightly younger, of being in a pub or club and having the benefit of that controlled, supervised environment, which means that people can be helped if they have a little too much to drink. That clearly does not happen if one is indulging in excessive drinking at home.

On late night drinking, the Government have introduced the Police Reform and Social Responsibility Bill and are considering a late night drinking levy, which is about asking pubs, clubs and licensed premises to contribute towards the costs of policing in areas that have late night drinking. While there is an element of the polluter pays, which is an attractive idea, perhaps the Minister will consider again the additional tax that will be charged to many small businesses and the bureaucratic nature of introducing this levy. Perhaps he will comment on that.

I want to discuss building a culture of responsible drinking. There is wide agreement that people need fully to understand the implications of their behaviour, so I hope that the Government will consider bringing back the proposal to introduce personal social and health education into our schools, so that young people in particular fully understand the problems of taking alcohol at an early age—many of them do not understand that. Some schools teach the subject very well, but others do not.

My time is nearly up. The Government have announced the proposal that they wish to take forward, but could the Minister comment on why the Bill, which is currently in Committee, does not include any clear proposals or clauses on this matter? Would he consider bringing forward an amendment to include it, and, finally, would he consider adding a further objective to the licensing conditions and include a health harm objective?

10.50 am

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): This has been an exceptional debate. Some debates that we have either on the Floor of the House or in Westminster Hall are partisan. Speakers may have entrenched positions and may not necessarily reflect the views of the whole of the United Kingdom or, indeed, of all political parties, but that is not the case this morning. That highlights the impact of the issue and the concerns that people have about the misuse of alcohol and what we see in our communities because of it. Equally, it reflects the complexity of the matter, which can and should be addressed in several different ways. There are societal, health and crime issues, and those themes came through clearly in a range of contributions, whether speeches or interventions, which have informed the debate and made it valuable.

I congratulate the hon. Member for Blaenau Gwent (Nick Smith) on securing this debate and allowing this discussion to take place. When I was doing my research, I thought that I had suddenly latched on to something when I discovered a page on the internet that said, "MP admits mistake":

> "MP Nick Smith has told Parliament he 'got it wrong'"

on the drinking age, but I then discovered it was a New Zealand MP with the same name rather than the hon. Member for Blaenau Gwent. I know that the hon. Gentleman takes this issue seriously. In his initial contribution in this House, he highlighted his concerns about social and health inequalities in his constituency as well as other themes. I know how keenly he feels about these issues, and why he sought to secure this debate.

It is important to recognise that, for the first time, because of research that we have undertaken and the many representations that we have heard, we have set out the need to establish a link between alcohol harms and price. I am delighted that the right hon. Member for Leicester East (Keith Vaz) is in his place, because we have reflected on the comments in the Home Affairs Committee report, which, interestingly, was published in November 2008. That shows how time passes in this place. It recommended that the Government establish a legal basis for banning the use of loss-leading by supermarkets—that was one of the key recommendations. He and I have had several debates over the years on the issue and the points that arise from it.

It is also important to say that our modelling indicates that the change that we are proposing—duty plus VAT—will reduce the number of crimes by about 7,000 and hospital admissions by about 1,000. We heard from the hon. Member for St Austell and Newquay (Stephen Gilbert) about his fears that the change will somehow drive the price down. I certainly do not see it that way. The sad reality is that some products are deeply discounted. They will be caught by our proposals, and hence the change that we are seeing.

I appreciated my visit to the hon. Gentleman's constituency. I went to Newquay and saw some of the good community work that is taking place on the ground, and how people are dealing with some of the issues around youth drinking and some of the pressures in certain towns. The Newquay Safe Partnership is an important example of that practical work, and I was delighted to visit his constituency.

I am conscious that time is limited, so I apologise if I am unable to canter through everything. The hon. Member for Blaenau Gwent asked about the options for bringing matters forward. I am certainly committed to doing that as soon as practicable. We are examining various options, but I intend to press forward quickly to resolve matters and ensure that the measures are introduced at the earliest opportunity.

There were also some questions about Treasury statements, and the hon. Gentleman asked about my comments on super-strength lagers. Before Christmas, the Treasury conducted its own analysis of duty and identified super-strength lagers of more than 7.5% alcohol by volume as a particular issue. It was considering options for duty in the Budget. I hope that that gives him an idea of the time frame.

My hon. Friend the Member for Chatham and Aylesford (Tracey Crouch) highlighted some of the practical issues on the booze bus that clears up some of the problems late in the evening. I stayed out with the booze bus in London late into the evening and saw people literally being picked up off the street—they were dealt with professionally and impressively by the London ambulance service and paramedics. I found quite interesting the leaflet that they gave to the people with whom they dealt, who perhaps would reflect on it the following morning when nursing the after-effects of what they had been through the night before. The leaflet highlights

[James Brokenshire]

the cost of the pick-ups—each case costs the London ambulance service some £200—and the fact that about 60,000 calls are made each year. I saw for myself some of the real challenges that professionals have to deal with on the ground, responding to the issue, which is why it is important to introduce several different measures to address the problems linked to excessive alcohol consumption.

There is a clear role for the industry. I have been struck by some of the positive work, not just in Newquay, on things such as community alcohol projects, Best Bar Nones, purple flags and some of the steps that are already being taken by the industry to address the problem. Yes, more should and could be done, which is why, for example, we are seeking to introduce the late night levy. It will assist local communities with funding and support for policing and some of the other initiatives, such as the booze bus.

As a rejoinder to the hon. Member for Kingston upon Hull North (Diana Johnson) who described our response as bureaucratic, I gently remind her of the previous Government's alcohol disorder zones. If she thinks that what we are proposing is bureaucratic—it is actually simple and straightforward—I point her in the direction of ADZs and the bureaucracy that was attached to them. I hope that she will welcome some of the steps that we are taking on pricing, because I know that the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), a former Home Secretary, indicated regret at not taking that on board. I welcome her support as we go on to debate some of the detail around licensing in the Police Reform and Social Responsibility Bill during the coming weeks.

It is important to set the proposal for the ban on below-cost sales in our proposal to introduce a floor price of duty plus VAT. The matter was considered carefully. There were some comments about the industry making further suggestions. We consulted during the summer on our proposals and listened carefully to the responses. Again, there were no simple solutions or unanimous views on what should happen. This is a complex matter, and there are issues around competition law. Also, we need to produce something that is understandable and easy to enforce. There are other models such as invoice pricing, but we did not want to get involved in them because of the bureaucracy attached to them.

Sadly, it appears that we are now calling time on this debate. Our proposals are a first step. We are determined to tackle the harms caused by alcohol and are introducing a comprehensive suite of proposals on problem practices, problem licensing and problem people, and we are looking at how we can better support and aid recovery as part of our wider strategy. I have appreciated this morning's debate, which I am sure will continue.

Jim Sheridan (in the Chair): Order. We must move on to the next debate. I ask hon. Members who are not staying to leave quickly and quietly.

Children's Centres

11 am

Bill Esterson (Sefton Central) (Lab): It is a pleasure to hold this debate under your chairmanship, Mr Sheridan, and I am pleased to see the Minister here. She has written to me and other hon. Members on this subject in detail.

The question for which I seek an answer is why there is a difference of opinion between what the Government and the Minister are saying to local authorities, and what local authorities are saying about funding Sure Start children's centres. Last Thursday, Sefton council voted to review all 19 children's centres in Sefton, and to decide over the coming weeks which are to survive and which are to close. There is huge concern in my constituency that it will just cherry-pick from those services.

The Minister told local authorities that the early intervention grant is designed to replace the funding for children's centres, and that there is sufficient money to guarantee the full network of centres over the coming years. My question to her is: why are so many councils, including Sefton, saying that that is not true, and that the money has not come through?

As Polly Toynbee put it in *The Guardian*:

"The sleight of hand drives children's services directors to distraction."

She goes on to say that the Minister

"has indeed given a specific early intervention grant to cover Sure Start, but as she well knows it is considerably less than the bundle of 22 grants it replaces. It amounts to a £1.4 billion cut in all early intervention programmes."

Mr Andy Slaughter (Hammersmith) (Lab): In the case of Hammersmith and Fulham, the early intervention grant has been cut by 12.9%. The Minister may want to comment on that, as she has said that there is no need to cut Sure Start. The actual cut in service will be more than 50%, with nine out of 15 centres closing, having had their grants reduced from £475,000 to £19,000—not enough to run a service. That is the truth about Sure Start on the ground at the moment.

Bill Esterson: I am grateful to my hon. Friend for his intervention. We have found exactly the same problem in Sefton. We face at least a 12% cut in the early intervention grant. The council has been told that it is there to replace several early intervention projects. The money is simply not enough to do the job that the Government claim it is there to do.

Faced with the financial crisis and the cuts that the Government are pushing through, the question is what gets dropped first. History shows us that early prevention projects always come off worst.

Polly Toynbee's article continues:

"Where in this pecking order of need should children's centres come? They offer the earliest help to young children, identifying difficulties before it is too late, a welcoming place to which families can turn."

Many of my constituents have written to me to say how important those services are to them and their children. One parent at Hudson children's centre in Maghull told me:

"I am a mum to two small pre-school children and consider the children's centre an integral part of my life. I was delighted when the centre first opened, shortly after having my first child. It soon became my lifeline, opening doors to new friendships and experiences.

We enrolled for all the sessions available to us and thoroughly enjoyed meeting up with other parents and carers. The staff are all so very caring and helpful, making us all feel like part of their family. We still regularly attend the centre and feel distraught at the thought that this may come to an end if funding is cut. Not only would my children lose their valuable educational activities, but I would also lose my support network. I plead with Sefton council to carefully consider their actions regarding this matter, as I feel our local community would be left devastated."

A common theme coming through to me from parents, grandparents and carers, is that their children's centre is a vital lifeline, without which they would have nowhere to turn. There are no other facilities; there are no other places for many families to go. I mentioned the Hudson children's centre in Maghull. More than 750 families have used the services at that centre. A similar number has used the service at Thornton children's centre in Crosby, and I have three more children's centres in my constituency. All five are either phase 2 or phase 3 centres. Initially, Sure Start children's centres were set up in areas of maximum deprivation. The evidence coming through to me from the parents and families who use the phase 2 and 3 centres is that they are just as important as the phase 1 centres.

People from many different backgrounds use the centres in my constituency. One of the benefits we have found is that people, who would often be isolated without access to those services, meet and form their own support networks and make new friends. Suzanne Bentham uses the Thornton children's centre. She wrote to me to say:

"Thornton children's centre is an essential part of my life. Firstly, I went with my partner for my antenatal classes, then with my daughter who loves all the activities she does there. The staff and amenities are wonderful but most of all the atmosphere is the best bit. If I am feeling a little housebound, we can pop in and join in or just chat. We attend most days. We have met so many people from all walks of life, all with stories or offers of help when you need it most. It is not just a play centre, it is a lifeline, and without it an awful lot of people, families and children, will miss out on valuable skills to help throughout their lives. You see, every child matters."

My hon. Friend the Member for Nottingham North (Mr Allen) reported in the past few weeks that early intervention and the support that children receive in their first five years are crucial. That makes all the difference and prevents many children and families from having difficulties later in life. That is why children's centres were set up by the previous Government, and why Sure Start matters.

Mr Frank Field (Birkenhead) (Lab): Would a more sensible and humane approach for local authorities, which have suffered cuts in grants, be to consider withdrawing some of the services Sure Start provides, so that they keep the whole network? I say that because at some stage the Government are going to respond to my report, which advocated that, in some years, they should consider not automatically increasing children's rates of benefits, but using all or part of that money to build up the foundation years. There will be all the difference in the world if, in a year or so, the Government say more money is coming into the area, between those authorities that kept their network and those that decided to shut up shop and disappear.

Bill Esterson: I am grateful to my right hon. Friend. His point about how vital it is to keep the network going is extremely well made. Perhaps I can make my own comments in support of that argument.

The network is so important. Families often use several children's centres, not only one, and those centres work closely together. I cited some of the numbers of families who use those centres, and I have seen how they are now an integral part of building successful and sustainable communities, and bringing together families with different backgrounds from different parts of the same community. If that network is broken in any way, it would be a backward step.

I believe that children's centres are as important in phases 2 and 3 as they are in phase 1. Pockets of deprivation and people who are isolated exist in all parts of our communities, not only the most deprived areas. Therefore, it is essential that the network is retained. How will the Minister ensure that councils carry out the Government's stated wishes to retain the network? At the moment, it appears that in many local authorities the money is not being passed on to keep the networks open. The removal of the ring-fencing, and the fact that the grant is not a like-for-like replacement of funding, leaves that question open. The Minister will say that such matters are down to local determination, but if the Government are serious about retaining Sure Start children's centres and the network, they must consider intervening in local authorities to ensure that their stated policy is delivered on the ground.

Steve Rotheram (Liverpool, Walton) (Lab): This is my first opportunity to serve under your chairmanship, Mr Sheridan, and I am delighted to do so. I congratulate my hon. Friend on securing the debate. We have spoken about the subject in private, and we are both passionate about it. Does my hon. Friend agree that Sure Start centres are a lifeline for the sort of communities that he and I represent? Councils in Sefton and Liverpool are faced with the most horrific decisions about the future of Sure Start centres because of the local government settlement. Does he agree that Sure Start centres in the most deprived communities in the country should be the most protected?

Bill Esterson: My hon. Friend's constituency is next door to mine, and many of his constituents use Sure Start centres in my constituency, just as many of my constituents use centres in his constituency in Liverpool. The Holy Rosary children's centre in Aintree village is used by people who live in Fazakerley and Walton. My hon. Friend's point about protecting phase 1 centres in the most deprived areas is important, but I believe that phase 2 and 3 centres have come to deliver an equally important service for slightly different reasons. I would not like to see any of those centres go, and it is important to maintain the entire network. People use centres from phase 1 and from phases 2 and 3.

Let me turn to the report by my hon. Friend the Member for Nottingham North and some of the evidence that he produced on early intervention. He cites some examples that illustrate the importance of early intervention:

"A child's development score at just 22 months can serve as an accurate predictor of educational outcomes at 26 years.

Some 54 per cent of the incidence of depression in women and 58 per cent of suicide attempts by women have been attributed to adverse childhood experiences, according to a study in the US.

An authoritative study of boys assessed by nurses at age 3 as being 'at risk' found that they had two and a half times as many criminal convictions as the group deemed not to be at risk…Moreover,

[Bill Esterson]

in the at-risk group, 55 per cent of the convictions were for violent offences, compared to 18 per cent for those who were deemed not to be at risk."

The report goes on to make it clear that the costs of investing in early years services are far outweighed by those of dealing with the problems created later in life. That is very apparent to people who use children's centres in my constituency. They tell me that not only do their children do better at school than their older brothers and sisters who did not have the benefit of such a service, but that they can also start to see the benefits of their children mixing with other children and getting used to mixing with adults.

Clearly, children and families do better where that service is available. I am sure that the Minister accepts that the loss of that service would be a bad move.

Paul Blomfield (Sheffield Central) (Lab): My hon. Friend will know that the issues faced in my constituency, and across Sheffield, are similar to those faced in his constituency. Thirty children's centres and nurseries are threatened by a £2 million funding cut. Does he agree that in maintaining the network—an important point—the choices that local authorities are forced to make when changing the offer from children's centres by reducing hours and charging will push many centres beyond tipping point? That will make it impossible to maintain the network.

Bill Esterson: My hon. Friend makes an incredibly important point. That is further evidence of the importance of maintaining the network as a whole and building on it. Yesterday, I spoke to the head teacher of a school that has a children's centre attached. She pointed out that a lot of evidence from the families served by that centre suggests that such centres should look to extend their services to families with older children, so that the good work can continue. That could perhaps link with youth services, which are also under threat. In fact, as of last Thursday, the entire youth service in Sefton has been cut, and that will store up huge problems for the future.

I am conscious that the Minister needs time to respond to the debate, but I want to remind her of what was said by her right hon. Friend the Prime Minister. One of my constituents, Marie Creed, sent me a "contract" between the Conservative party and her family. It states:

"We will support Sure Start, and boost it by paying for an extra 4,200 trained Sure Start health visitors."

If the Prime Minster and the Minister are serious about supporting Sure Start, they must not only put in the money to keep that election pledge, but ensure that councils deliver on it. Otherwise, for many families in Sefton and elsewhere in the country, it will turn out to be just another broken promise.

11.18 am

The Minister of State, Department for Education (Sarah Teather): It is a pleasure to serve under your chairmanship, Mr Sheridan. I begin by congratulating the hon. Member for Sefton Central (Bill Esterson) on securing this debate on an important topic. Like him, the Government believe that Sure Start children's centres have a critical role to play in their communities, and they are at the heart of the Government's vision for early intervention. There is enough money in the system to maintain the network of children's centres, and we have also provided extra investment for health visitors. However, I recognise the concerns that the hon. Gentleman raised in his speech, and I will address those issues in my response.

First, I will make a few general remarks about Sure Start children's centres and the direction of reform, which I hope will put things into context. Since my appointment as a Minister, I have had the privilege of visiting many children's centres around the country, and I have seen how highly they are valued by families and communities. That point was echoed by the hon. Gentleman when he spoke of the testimony of individual constituents, and how much they have appreciated the support in their local area.

Those positive messages are reinforced by the evidence. The 2008 and 2010 reports from the national evaluation of Sure Start showed improved outcomes in a number of areas including better behaviour, more positive parenting skills and home learning environments, and better physical health of children who live in an area with a Sure Start programme. The evidence supports the messages we hear from families that children's centres make a real difference to their lives.

Last week, the Government published their response to the report by the Select Committee on Education about Sure Start children's centres. In that response, we set out in more detail our vision for children's centres: they should be accessible to all, but with a clear role in identifying and supporting the most vulnerable and disadvantaged families. That policy vision will be built on by a policy statement that we intend to publish in the spring. It will differ from many of the policy statements and the way in which we have produced them in the past, in that we intend to co-produce it with the sector, building on the ideas on the ground, on best practice and on the sector's views about how to shape the future of centres.

Evidence shows that children from advantaged backgrounds do better than those from disadvantaged groups, with a range of health, cognitive and language differences becoming apparent by the age of three. Those are some of the issues to which the hon. Gentleman referred. It cannot be fair that children's outcomes and life chances depend on the circumstances of their birth. An important element of children's centres is their accessibility. However, within that, I want them to be better at targeting resources on the most disadvantaged and vulnerable families to help close that gap in outcomes.

Key areas for reform will include an increase in the use of evidence-based interventions, which the hon. Member for Nottingham North (Mr Allen) spoke about in his report. We believe that public money should go to services that have proved their effectiveness, particularly in supporting the most disadvantaged and vulnerable families. We also want improved accountability and transparency. That includes the introduction of payment by results so that local authorities and providers are rewarded for the results they achieve. We intend next year to make local authorities publish more information about how they spend their money, so it will be clear what money they are spending on children's centres and what money they are holding back for administrative support, which picks up on some of the points made by the hon. Member for Sefton Central.

We also want increased voluntary and community sector involvement in children's centres, so that organisations with a track record of supporting families can get more involved.

Bill Esterson: I want to pick up on the point about analysing whether local authorities have passed on the money to children's centres, and waiting until next year. My concern, which was expressed strongly by my right hon. Friend the Member for Birkenhead (Mr Field), is that that is too late. If they have not done that and the centres have started to close, it will be very difficult to rebuild the network. If there were a loss of that support over crucial months or even a year, that would be a very long time for families to wait.

Sarah Teather: I recognise the hon. Gentleman's point. If it is okay, I will go on to say a little about the early intervention grant and the particular concerns about reorganisation on the ground.

The hon. Gentleman pointed to the 4,200 extra health visitors whom we will be committing to recruiting. We hope that they will work alongside children's centre outreach teams to support the families most in need. That is being funded by the Department of Health. On our direction of travel, we want to work closely with the sector on the ground to ensure that we are getting the reforms right. We will be considering the report by the hon. Member for Nottingham North and the review by the right hon. Member for Birkenhead (Mr Field), who intervened and whose point I will pick up on in a moment. We have also asked Dame Clare Tickell to review the early years foundation stage. That will inform the work we are doing.

The bulk of what the hon. Member for Sefton Central spoke about related to his concern about the early intervention grant. We have made clear our commitment to Sure Start children's centres. We believe that we have ensured that there is enough money to maintain the national network of centres and to enable local authorities to meet their statutory duties.

Mr Slaughter: The Local Government Association says that, on a like-for-like basis, there is a 27% decrease in the early intervention grant when compared with the previous year. My Conservative council, in trying to excuse its cuts, says:

> "This grant is 12.9% less than the previous allocation for the same services."

Will the Minister deal with that point, about which she is in denial? Will she also deal with the point that the lack of ring-fencing means that councils such as mine can make outrageous decisions to close down stage 1 children's centres—exactly the ones she thinks should stay open? Their grant is being cut from £475,000 to £19,000. That is happening in Shepherd's Bush—an area I think she knows well.

Sarah Teather: I recognise that there are particular concerns in the hon. Gentleman's area, and it is an issue I am monitoring. However, I do not recognise the figures he gave from the LGA or the figures the hon. Member for Sefton Central cited, I think, from Polly Toynbee's article. The hon. Member for Hammersmith will recognise that this is a very difficult time financially, and that local authorities are having to make difficult decisions on the ground in the same way that the Government are having to make difficult decisions. We are trying to tackle the deficit, and it is not possible to do that without reducing funds overall. When the situation is very difficult, it is even more important that we provide more flexibility for local authorities to make the right decisions in their area—to focus on what they need to do in their local community. That is precisely why we have reduced the ring-fencing; we are responding to what local authorities have asked us to do.

Bill Esterson: There is a contradiction here, because on the one hand local authorities are being given so-called freedom, but on the other the Government are saying that Sure Start children's centres are an absolute priority. Unless there is some guidance from the Government or we have something stronger and the Government legislate for it, I fail to see how they can guarantee that the network will be maintained and enhanced.

Sarah Teather: Let me pick up on that point. The right hon. Member for Birkenhead made a similar point about the network. I have a great deal of sympathy with the point he made, particularly as we look down the track to the reforms the Government want to make. For example, we are providing extra money for relationship support, which will train people working in children's centres to deliver that on the ground. To respond to the point that the hon. Member for Sefton Central made about developing services for older children, all those things are possible and are good things in an area. However, if we do not give local authorities the flexibility to make the decisions that are right for their area, we will not get a service that is suitable for local need: we will end up with a one-size-fits-all service driven from Whitehall.

There is a difference between a local authority that is making catastrophic cuts to services for children and one that is trying to make sensible decisions in a very difficult environment. That may include clustering children's centres, merging back-office functions and reorganising where some of the centres are located because some buildings are not appropriate or because populations have changed since the stage 1 centres were put in place. Those are all sensible reorganisations, and we have to have some trust in local authorities to get on with that.

Providing a more flexible grant, the early intervention grant, which is significantly larger than the children's centre budget, should allow local authorities, if they want to do so, to link together different services as they think about the long-term reorganisation of their children's centres, youth provision or family support, so that they can offer things in a clustered way. I hope that that will provide more flexibility for them to do the right thing.

There is a legal duty on local authorities to consult before opening, closing or significantly changing children's centres. From what the hon. Member for Sefton Central said, it sounds as though in his area, parents will be very vocal about what they want to see by way of the provision of centres in their area. That is the right process. Parents should engage, and local authorities should listen to the views of families about how to reorganise on the ground.

However, Sure Start children's centres are at the heart of what the Government want to do in the long term with early intervention. Children's centres are a very

[Sarah Teather]

valuable resource, but often full use is not made of them. They are not always open all hours. There are opportunities for children's centres—for example, where there are flexible services, such as baby massage—to charge a nominal amount for those services in order to bring in small amounts of income. Local authorities can think more innovatively about the way in which they organise their children's centres on the ground, but the priority is that we have outcomes. The Government are trying to move towards measuring outcomes, rather than always measuring inputs, which is why we will move towards more payment by results. It is why our accountability framework will focus more on outcomes, particularly for the most disadvantaged children.

I am very grateful for the support that the hon. Member for Sefton Central has given today to children's centres. We believe that they are a vital service. I believe that there is adequate money in the early intervention grant to fund the network of children's centres, but I am grateful to him for raising the concerns in his area today.

11.29 am

Sitting suspended.

Coastguard Service

[Mr Mike Hancock *in the Chair*]

2.30 pm

Sarah Newton (Truro and Falmouth) (Con): It is a great pleasure to serve under your chairmanship, Mr Hancock. I am pleased to have secured this debate, which is on a subject I believe to be of great concern to coastal communities and seafarers alike. I sought the debate so that the House could discuss the changes proposed by the Maritime and Coastguard Agency to reorganise our coastguard service.

I welcome the recognition given in the proposals to the importance of a volunteer coastguard service. I recognise the importance of improving incomes and career structures for the coastguards; doing so will resolve years of industrial action. However, I am deeply concerned about some aspects of the proposed changes.

I am sure that all Members here today share my pride in the work of the coastguards in our communities. As a nation, we are reliant on the sea for trade and commerce. Our economy depends on a well-managed maritime environment; 95% of all UK trade is shipped to and from the rest of the globe.

Shipping is the UK's primary means of transport not only for commerce; we also depend on shipping to meet our energy requirements. As much as 80% of the world's liquid fuel energy resources is transported by sea. If even a single tanker carrying liquefied natural gas were to fail to reach our shores, the lights in UK homes and factories would go out within a week. In short, our security and prosperity are almost entirely dependent on a well-managed maritime environment, and the coastguards provide an essential service in enabling that to happen.

It is not only large commercial shipping that uses our seas. Consider for a moment our fishing industry, which is important to many coastal communities, and the pleasure craft used by tourists and water-sport enthusiasts alike. I know that many constituencies benefit from the tourism industry, and I am well aware of the role that it plays for my constituents in Cornwall, with more than £1.6 billion being spent by visitors each year. All of that could be jeopardised by a single oil tanker losing control or being damaged in bad weather. Only an effective coastguard service could prevent that from happening or minimise the impact of such events.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I congratulate the hon. Lady on securing this important debate. She mentions the possibility of an incident happening that could devastate her constituency. Does she not agree that she may be looking through the wrong end of the telescope at the proposals of the Government and the Maritime and Coastguard Agency? It is about cost savings; it is not an insurance policy for the communities she mentions.

Sarah Newton: I welcome the hon. Gentleman's intervention, but I do not agree with him. I am assured by the MCA that it is not about cost reduction but modernising the coastguard service to ensure that it is fit for the 21st century.

Andrew George (St Ives) (LD): On the question of the cost savings, does my hon. Friend not agree that a comparison needs to be made with the previous Government's proposal to regionalise fire service control rooms, which is costing the country well over £400 million, and rising? If we contrast that with the Government's current proposal, such modernisation is likely to cost, rather than save, the Government money.

Sarah Newton: I thank my hon. Friend for that intervention, but I think it best to leave it to the Minister to answer that question, as he has experience of the impact of regionalisation of the fire service.

I reassure the House that every coastguard I have spoken to has said that the service needs modernisation. The maritime environment is changing fast in many ways. Commercial ships are getting bigger and are less manoeuvrable, and we have more drilling rigs and offshore installations such as wind farms, not to mention the growth in privately owned pleasure craft. The shipping lanes around our shores are more congested and our climate is changing, with more unpredictable and volatile weather. The result is that the seas are becoming more hazardous. Many more people are participating in water sports of all kinds, and millions visit our coastline. They all need a modern coastguard service.

Lady Hermon (North Down) (Ind): I congratulate the hon. Lady most sincerely on securing this debate. In Northern Ireland we have an unusual, indeed unique, set of circumstances. The one remaining coastguard is based at Bangor in my constituency. As well as looking after maritime emergencies, it is responsible for inland stretches of water, including the huge area of Lough Neagh and Lough Erne. It is also the only officially designated coastguard in the UK nominated by the Irish Government to act in the event of an emergency off the Donegal coast.

Sarah Newton: I thank the hon. Lady for her contribution.

I am reassured by the commitment given by the chief executive of the MCA, Vice-Admiral Sir Alan Massey. He said that he will evaluate what people have to say, including what is said here today. I appreciate the fact that he is able to be here to listen to our debate. He said that

"all those with an interest in what we do and how we do it will take this opportunity"

to be part of the consultation process. I am reassured by that, and his presence here today underlines that commitment.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op) *rose—*

Sarah Newton: I shall make a little more progress before giving way again.

The MCA has developed its proposals over a number of years. The previous Government ducked the question of modernisation because they feared a backlash of public opinion. Having reviewed the proposals and discussed them with the coastguards at the Falmouth marine rescue and co-ordination centre, I am disappointed that significant areas of work undertaken at Falmouth for the nation have been missed from the consultation documents. It is particularly disappointing that none of the architects of the plans visited or discussed ideas for modernisation with the front-line team at Falmouth before the proposals were published. Had they done so, we could have had a better set of proposals.

We are very proud of the international rescue centre at Falmouth. It sits below the castle built by Henry VIII to protect the entrance to the Carrick roads, the third largest natural harbour in the world and the most westerly safe haven for ships. It is the Atlantic gateway to England. The port of Falmouth currently handles more than 4,000 shipping movements a year, and the Fal estuary has room for more than 10,000 leisure craft. As a result of European Union air quality directives, ships crossing the Atlantic have to bunker in Falmouth.

Falmouth coastguard station is responsible for search and rescue services for more than 450 miles of coastline and 660,000 square miles of the north Atlantic. It has the largest rescue area of any UK coastguard station, and it clearly has huge responsibility for safety at sea. Not surprisingly, given its location, Falmouth co-ordinates international rescues at sea, as well on the coastline.

Falmouth is the one point of contact for British ships anywhere in the world. In short, when a distress signal is sent, it goes to Falmouth. Falmouth is listening, and Falmouth takes action. Falmouth is also the UK co-ordinator of the global maritime distress and safety system, which assists vessels in distress. That includes the emergency position indicating radio beacon, which identifies stricken vessels anywhere in the world and co-ordinates the search directly or relays the information to the relevant authority.

Mr MacNeil: Does the hon. Lady agree with the assessment that I have heard from the MCA, which is that the pivotal work that she says happens in Falmouth could happen anywhere, in any office of the MCA? It does not particularly need to happen in Falmouth.

Sarah Newton: I shall come to that point later, but I refute what the hon. Gentleman says.

Andrew George: My hon. Friend makes an important point. Falmouth is a pivotal station, and not having the skills that are available there would be a great loss to the nation. I doubt whether the skills of that station could be replicated elsewhere. Local staff have emphasised to me that the consultation was about one proposal, and that no alternatives were put forward. Many of the staff, who were not consulted at all, believe that alternatives should be considered, including those put forward by staff at Falmouth and at other look-out stations.

Sarah Newton: When I come to that point, I will make a suggestion that I hope will be carefully considered.

The Falmouth coastguard carries out a long list of specialist functions, which, following his recent visit, Sir Alan Massey is now aware of and will be able to take into consideration in the consultation process. It is one of three specialist centres, along with Aberdeen, which is responsible for the North sea oil platforms and drilling rigs, and the Solent, which handles the English channel.

[Sarah Newton]

As would be expected, both those centres maintain a 24-hour watch, but Falmouth is to be downgraded to daylight operations. Such inconsistency must be addressed.

David Cairns (Inverclyde) (Lab) *rose—*

Sarah Newton: I should like to make some progress. I appreciated the meeting that I had with Sir Alan Massey and his team yesterday to listen to their rationale for their proposals for Falmouth. They were generous with their time, but I remain unconvinced of their case. I agree that there is a lack of resilience in the current system and the pairing arrangement. I agree that if Falmouth was hit by lightning, as I was told yesterday it has been on a few occasions, there would be a problem. I also agree that networking all the stations around the UK will enable a greater flexibility in managing resources and improve the skills of coastguards in other UK stations. Moreover, it would enable better management of peaks in demand on the service. It is a good idea to share the expertise and international relationships that the Falmouth coastguard has developed with other UK coastguards to ensure a resilient service.

Anne Marie Morris (Newton Abbot) (Con) *rose—*

Sarah Newton: I will give way in a moment. Nevertheless, Falmouth should continue with its 24-hour cover as the leading international rescue centre, and it will be backed up by the network of coastguards in the rest of the UK. That would address the stated aims of the proposals by improving resilience and creating a more flexible service that is able to cope with the anticipated growth in demand and peaks and troughs of demand in the service. It simply does not make sense and is a waste of money to develop a new centre and recruit and train staff in Southampton, in order to replicate what is recognised to work so well in Falmouth.

Falmouth's reputation for international search and rescue is world renowned, and its expertise has been built up over many years. The monitoring and rescue work carried out by Falmouth coastguard is not, as has been suggested, a UK humanitarian gesture; it is absolutely a legal requirement of the UK Government.

In the past two years, Falmouth coastguard station has handled 7,356 incidents, of which 4,590 were specifically search-and-rescue missions. That makes Falmouth the busiest station in the whole UK for search and rescue. Out of those incidents, a third took place at night, between 8 o'clock in the evening and 8 o'clock in the morning. Under the current proposals, that is when the station would be closed.

I have noted from the graphs provided by the MCA's consultation document that Falmouth, compared with all other coastguard stations, does not have as much variation in its work load from month to month, and nor does the work load disappear at night, as the MCA argues. In other words, while the MCA is correct in its assertion that coastguard stations are generally busier during the day and during the summer months, Falmouth is almost unique in being busy at any hour of the day throughout the entire year. The argument that the station does not have to be manned during night hours due to a lack of work and seasonal variations does not hold water.

Several hon. Members *rose—*

Mr Mike Hancock (in the Chair): Order. I remind Members that 12 Members want to take part in the debate. Interventions must be short and to the point otherwise Members will be very disappointed. If the intervention is really necessary, fine. If not, I urge Members to be respectful of other Members who want to speak in this debate.

Anne Marie Morris: I entirely endorse what my hon. Friend is saying about her concerns with regard to Falmouth. If Brixham, my coastguard station, goes, Falmouth and Southampton, which is 200 miles away, will have to cope with something like 1,500 incidents, if last year's figures are typical.

Sarah Newton: I thank my hon. Friend for that helpful intervention. The Falmouth coastguards have developed effective working relationships with other services in the area, such as the Royal National Lifeboat Institution, the RNAS Culdrose where the search and rescue helicopters are based, Falmouth harbour commissioner for the co-ordination of tug boats to guide and protect larger vessels, maritime fire services and the emergency ship repairer, A&P Falmouth. Remember that any vessel coming in from the Atlantic, large or small and in distress, will rely on Falmouth for assistance. That includes the volunteers of the Mission to Seafarers, which takes distressed mariners under its wing. Such close working relationships have been cultivated over decades.

The Falmouth station has achieved many positive outcomes. Take, for instance, the Fryderyk Chopin, a Polish ship carrying 36 teenagers, or the MSC Napoli, which was holed during a storm and forced to beach in Lyme bay. Were it not for the constant reassurance and effective search and rescue co-ordination provided by the Falmouth station, the outcomes of those recent incidents would have been very different. I might add that both those high profile incidents, which took place in the glare of the world's media, occurred at night, and that is precisely when the MCA wishes the station to be closed.

David Cairns: I congratulate the hon. Lady on making such a powerful case. Another recent high profile incident was the running aground of a nuclear submarine off the west coast of Scotland. Clyde coastguard agency, which is based in my constituency, has, in addition to all the commercial pressure she mentions, the responsibility of being the home of our nuclear-powered, nuclear-armed deterrent. Her constituency is outraged at Falmouth's being downgraded, but in my constituency, there is a proposal to close the coastguard station. Does she not, therefore, accept the point made by the hon. Member for St Ives (Andrew George) that there is a need to consider alternatives and not adopt this one-size-fits-all approach?

Sarah Newton: That is just the sort of point that I was hoping that hon. Members from all parties could make to the Minister today.

The MCA's headquarters has not sent any formal training programme or competence framework to Falmouth. Instead, staff from the Falmouth station have used their own initiative to manage and adapt these functions and to tailor them to suit the needs of the mariners under their care. Years of dedication

and experience have allowed the officers to develop and modify policies accordingly. Allowing these men and women to work out their own practices, rather than adhering to centrally controlled diktats has meant that Falmouth has developed best practice not only in the UK but across the globe. International partners will often look to Falmouth to see how they can better manage and co-ordinate their waters. It is not uncommon to visit the Falmouth station and find international delegations there learning how the station operates. When they want to see how the UK coastguard system works, they do not go to the MCA headquarters in Southampton; they go straight to Falmouth. A south American country's coastguards are instructed, "When in doubt, call the Falmouth coastguards."

Ian Paisley (North Antrim) (DUP): The hon. Lady talks about the local knowledge of the Falmouth coastguards, but that is something that can be lost across the entirety of our coastline. My constituency includes Rathlin island, the only inhabited island off the coast of Northern Ireland. If the skills of the coastguards there are lost, it will mean the loss of many more lives around our coast. I agree wholeheartedly with the hon. Lady. Does she not agree that the proposals to pass co-ordination on to a yet-to-be-developed IT system and software system pose genuine concerns for the future protection of lives on our coast?

Sarah Newton: I very much agree with the hon. Gentleman. I am very sceptical about the capabilities of some of the technology that is being advanced, and I will discuss that later. Even the MCA headquarters appreciates the best practice that has been worked out in Falmouth. It has published its work in the coastguard operations bulletin, which is a testament to its inventiveness, ingenuity and ability to solve problems quickly and efficiently.

Handing over the research and rescue co-ordination for such a large area to another marine operations centre will inevitably lead to a loss of efficiency, which will affect the outcomes of some incidents. Coastguards have expressed to me their grave concerns about the loss of local knowledge and the impact that that will have on the co-ordination of local coastal rescue.

I understand that, on his recent visit to Falmouth, Sir Alan Massey stated that the process of identifying the particular location of someone in distress and requiring urgent assistance will be longer than it is now, with a possible 10 minutes added to emergency response times.

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I will not interrupt my hon. Friend for too long, but the assertion that the response time will be increased by 10 minutes is wrong. I do not know where that information comes from. The response time is five minutes now and it will be five minutes in future—that is important.

Mr Mike Hancock (in the Chair): Thank you for that clarification.

Sarah Newton: I am sure that everybody listening to this debate greatly appreciates that intervention and the reassurance given by my hon. Friend the Minister, because, as he knows from his experience in the fire service, minutes of delay in an emergency cost lives. That is a very welcome confirmation from the Minister, because that sort of delay—

Bill Esterson (Sefton Central) (Lab): Will the hon. Member give way on that point?

Sarah Newton: I will just make a bit more progress.

Mr Mike Hancock (in the Chair): Order. I ask Members to be a bit more careful and respectful of the other Members who want to speak. I want to get as many people in to speak as possible. The hon. Lady has now been speaking for 20 minutes and it will be difficult to get many Members in if the winding-up speeches start 20 minutes before the end of the debate. So please respect that.

Sarah Newton: Thank you, Mr Hancock.

Yesterday the MCA team told me that the location of someone calling 999 for assistance using either a land-line or a mobile phone could be identified by whichever coastguard answers the phone in any part of the UK, by using the latest technology. However, I remain sceptical of such claims and I worry about an ever-growing reliance on technology. How resilient are those networks?

During the same conversation with the MCA team yesterday, I was slightly reassured by the fact that the MCA proposals include the plan to test rigorously and evaluate each step of the new system before proceeding to the next stage. Those "gateways" acknowledge that the proposals will need real-life testing before implementation. Much more needs to be done to demonstrate the veracity of the claims made for the technology as well as the impact on response times. As the Minister knows, minutes of delay cost lives.

Although I have had only a short time to raise a few issues with the Minister today, I hope that he can reassure the people of Cornwall that he values the work of the Falmouth coastguard and, furthermore, that the views of the Falmouth coastguard and those of the Falmouth harbour commissioners, harbourmasters and mariners alike, who all have a great deal of experience of dealing with the coastguard service and who are all deeply concerned by the downgrading of the Falmouth coastguard station, are fully taken into account by the MCA consultation review team. Coastguards have publicly expressed grave concerns about the impact of the current proposals on safety and, quite understandably, there is a great deal of public opposition to the proposals to downgrade the Falmouth station and the other stations about which we have heard from Members today.

As I draw my remarks to a close, I want to reiterate one simple important point. All the aims of modernisation, which will provide a resilient 21st century coastguard service, of which the UK can continue to be proud, can be delivered with Falmouth's coastguard remaining the jewel in the crown of the MCA, as the world-leading international marine and rescue centre.

2.53 pm

Katy Clark (North Ayrshire and Arran) (Lab): It is a pleasure to see you in the Chair today, Mr Hancock. I will try to adhere to your request to keep contributions brief to enable other hon. Members to speak, because a considerable number of hon. Members are interested in this debate.

[Katy Clark]

Of course, the announcement about the coastguard was made not in an oral statement to Parliament but by way of a written statement, and this is hon. Members' first opportunity to debate the issue. One of the things that I will be asking the Minister for today is that we do not just have this Adjournment debate and that hon. Members have a fuller opportunity to debate this issue, because there are serious concerns about the implications of these proposals for the coastguard service, if they go ahead.

I speak as someone who represents a coastal constituency. Indeed, a considerable number of my constituents work in the coastguard service. My experience—I believe that others have also experienced this—is that the coastguard service has been treated differently from other emergency services for many years, not least regarding pay. Many hon. Members will be aware that coastguard officers often earn only in the region of £13,500 per year, despite the fact that they have not only responsible positions but positions that require a great deal of expertise developed over many years.

The proposals that we are discussing today will probably lead to more than 200 coastguard officers losing their jobs. In many areas of the country, particularly in Clyde, it is unlikely that any officers losing their jobs will be relocated within the coastguard service. The coastguard service at Greenock is in an area of high unemployment and deprivation. The reality is that the relocation schemes that are available to civil servants will not make relocation for individuals—for example, to Aberdeen, which is an area of high cost, or to the south of England—a reasonable prospect. Indeed, I have constituents who are in that position. They know that if they lose their job at Clyde when the coastguard station there closes—if that closure is allowed to go ahead—other opportunities will not be available.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I have been in another Committee, which is why I was not here earlier. This issue is important to my constituents and to the constituents of many hon. Members who are here in Westminster Hall today. Of course, my concern is particularly about the Forth coastguard station, which is on the other side of Scotland to my hon. Friend's constituency. The Forth station is also proposed for closure. There is also a sub-centre that covers my constituency's shoreline.

In the firth of Forth, we have three major oil and liquid gas terminals. We also have a new bridge and a number of anchorages, and a new wind farm is being built. Does my hon. Friend agree that the firth of Forth is another area where safety means that closure should not go ahead and that having one coastguard station for the whole of Scotland is not acceptable?

Mr Mike Hancock (in the Chair): Order. I think that you are pushing your luck there with that one. That intervention was more like a speech.

Katy Clark: It is far from clear what criteria have been used to develop these proposals. I hope that, when the Minister responds to the debate, he will address that issue. It has been suggested that the Clyde coastguard station has been proposed as one of the stations that will close, because its lease is due to expire in the next few months and it is therefore cheaper to close that particular station than, for example, the station in Aberdeen, where the costs of closure would be extensive.

Mr MacNeil: The hon. Lady has made an important point. The principles that are pushing this process are not the principles that should be pushing it. The considerations are not marine considerations, but real estate considerations. The Aberdeen situation is particularly interesting, because the MCA has problems with the leases on the Aberdeen building. In addition, the MCA has not considered the high turnover of staff in Aberdeen in comparison with other stations.

Katy Clark: Indeed. The hon. Gentleman has made some powerful points.

People who have not visited a coastguard station might be surprised to learn about the role of coastguards. The reality is that the way in which a station operates is that the operative who takes an emergency call usually stays in charge of that incident throughout the whole process, which hopefully leads to the person who called being rescued. That operative has to liaise with a range of other agencies, and they have to call on their own experience as a coastguard and on the knowledge that they have developed of the terrain in which they are operating. In the west of Scotland in particular, there is a huge amount of concern that if there is only one coastguard station in Scotland, much of the expertise and local knowledge that individuals have developed over many years would be lost.

The Clyde coastguard station's area of responsibility is the largest coastguard area in the UK, and the station has 41 coastguard rescue teams under its control. There are 26 ferry operations to island communities in the area, including to Arran and Cumbrae in my own constituency, as well as a number of other ferry operations to other islands off the west coast of Scotland. If we include the sea lochs, which are part of the terrain in the area, there are 1,900 miles of coastline. I have always been told by those who work in the coastguard service that a huge amount of local knowledge acquired over many years is essential for the role of coastguard.

Bill Esterson: A similar point has been made to me by the staff at Crosby coastguard station in my constituency, which is listed as "Liverpool". They say that in Liverpool bay and throughout the Irish sea there are many creeks, gullies, mudbanks and sandbanks. That local knowledge, from many decades of experience, is vital in shortening the time taken to get search and rescue to the right place.

Katy Clark: My hon. Friend has made an incredibly important point. In the west coast of Scotland coastguard area, there are, I think, eight Tarbets, so when someone on a leisure craft phones the coastguards and tries to describe where they are, expertise and local knowledge are required to assist the distressed vessel.

The proposals seem to be based on the view that it will be possible for much of the slack to be taken up, and much of the work to be undertaken, by volunteers, who form a huge part of the coastguard service. Coastguards rely on their local knowledge to assist people in difficulties, but more than that they have to rely on the coastguard rescue teams, and it is surely

wrong for more pressure to be put on those teams. As we develop the service, we should try to ensure that we do not have to rely on individuals who have work commitments of their own, and that we do not put them in a position in which they might be pressurised and get involved in incidents, because it is not possible for the paid structure to provide the service. The way in which we operate our coastguard system in this country is perhaps a cheap way of doing so, in that we rely on volunteers.

There are particular concerns about the west of Scotland, both because of the terrain and, increasingly, because of the number of vessels—including leisure vessels—with the extension of marinas and of sailing on that coast. Will the Minister indicate the criteria that have been used to come forward with the proposals? Given the great concern among hon. Members, will he ensure that there are further opportunities to debate these issues?

Several hon. Members *rose—*

Mr Mike Hancock (in the Chair): Order. The Front Benchers have decided that they will take no more than 10 minutes each, so if everyone who wants to speak keeps to about four minutes, everyone who is here will get to speak.

3.2 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): I shall do away with the niceties, apart from congratulating my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing this exceptionally important debate. However, I will say something else that is a bit of a nicety—I do not want to suggest that the Minister is in any way committed to increasing risk for the people of this nation. He and the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) both served in the fire service, and they are absolutely committed to the safety of one and all in a far stronger way than I have ever been.

I welcome several of the proposals and believe that change is required. I recognise that changes in technology and the evolving nature of our seas mean that the status quo is not always necessary. I was surprised to discover, as a result of the consultation, that most of our coastguard stations are linked only to each other, and particularly that Thames and Yarmouth are not linked. Those are the two coastguard stations that cover my constituency, with the Yarmouth centre covering down to about Southwold, and the Thames centre at Walton-on-the-Naze coming up the other way. I welcome changes that mean that coastguard centres will be working together, regardless of numbers. I also welcome the changes that will enhance the volunteer side, and I understand that aspects of pay might be being looked at, so that we can invest in the people who remain in the coastguard service.

I want to point out a few issues that relate to my constituency and to try to get some clarity from the Minister. The consultation document discusses how the seas are becoming more congested and how ships are getting larger. It talks about oil carriers, a busier coastline and extreme weather conditions that lead to increased coastal flooding. All those issues apply fully and squarely to my constituency, where we have the largest container port in the country at Felixstowe and, as of April 2011, the only area within inshore coastal waters where ship-to-ship oil transfers are allowed. I recognise that 70% of incidents involve leisure vessels—a high proportion of activities up and down the coast, and in and out of the creeks and estuaries, are leisure based—in addition to incidents in the shipping lanes around Felixstowe.

I am interested to understand how the decisions about which centres should remain open were made. Yarmouth and Thames both respond to a large number of incidents, of which there are more than in Dover. Dover also has responsibility for the Dover strait and the Channel Navigation Information Service. I would have thought that the number of incidents handled by each centre would have come into the review, but I do not see how that has been addressed. On a broader point about the Border Agency, I would have thought that the coastguard service would be one of the links in trying to ensure that we have safer borders. In the consultation, there is a focus on allowing senior managers to free up time to have such a relationship with other partners. The police are specifically mentioned, and I assume that that relates not only to people's safety but to crime and other such activities.

The narrative from my constituents includes the assumption that the closure of the coastguard centres means that there will be no full-time paid coastguards delivering the service. It would be helpful if the Minister were to clarify whether in areas where coastguard centres are to be closed, we will rely solely on volunteers. If that is the case, I will be genuinely concerned. I share the coastguard at Lowestoft, and its branch at Southwold, with my neighbour, my hon. Friend the Member for Waveney (Peter Aldous), and the teams there are about 60% full. Southwold has five vacancies and Lowestoft seven, which means that we have only three people on the Southwold team.

The consultation document also mentions some of the roles that the coastguard will have in the future—vessel traffic monitoring, for example. It talks about how automatic identification systems provide

"precise real time data up to about 30 miles from the coast",

which is welcome, but it also states:

"In the coming years the development of Long Range Identification and Tracking (LRIT) will mean that ships can be tracked over much longer distances".

It would be interesting to understand the time scale for that, and how it will fit into the role of vessel traffic monitoring. There is also the creation of counter-pollution officer roles, which all seem to be based in Southampton, and an understanding of some of the risk assessments undertaken would help us to see which parts of the country are perceived to have the greatest pollution challenges.

I come back to ship-to-ship transfers. I do not seek to use the debate to open up that issue, but when it was mentioned, Yarmouth coastguard agency was identified as the monitoring body.

I will finish here, Mr Hancock.

Mr Mike Hancock (in the Chair): Thank you very much.

Dr Coffey: I appreciate that. I was one of the hon. Members who submitted a letter requesting to speak before the debate.

[Dr Thérèse Coffey]

I would be grateful if the Minister were to clarify whether the response to incidents will be solely from volunteers, so that instead of having to resort to freedom of information requests we could provide more detailed information, by centre, on timing and number of incidents. I would also be grateful if he were to refer to the monitoring of ship-to-ship transfers.

3.9 pm

Ms Margaret Ritchie (South Down) (SDLP): I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing the debate.

My constituency of South Down in Northern Ireland plays host to two of the three fishing ports in Northern Ireland, and as a community we share a long, proud and sometimes difficult history of fishing and seafaring.

Over the years, my constituency has seen its share of tragedies and miraculous rescues at sea. Each time—whether it has been to bring family members' bodies home from the sea or to undertake those miraculous rescues—we have looked to our coastguard, which has always performed an amazing service.

In Northern Ireland, the Bangor coastguard station, which is located in the constituency of the hon. Member for North Down (Lady Hermon), faces possible closure. There is a proposal to transfer its operational role to another station, perhaps in Liverpool or Aberdeen, many miles away. Hon. Members will be aware that opposition to the consultation proposals is mounting, and I hope that the Minister will allay many of the concerns that have been raised.

Lady Hermon: Let me tell hon. Members, and particularly the Minister, that it is rare for any subject to unite all the parties in Northern Ireland. We are talking about saving the one remaining coastguard in Northern Ireland, which is the only part of the United Kingdom that risks losing its coastguard service. I extended an invitation to the First Minister and the Deputy First Minister to make a joint visit to the station, and I am delighted to say that both accepted it warmly. The First Minister is from the Democratic Unionist party, the Deputy First Minister is from Sinn Fein and the hon. Lady is a member of the Social Democratic and Labour party, so this issue has united all parties. I hope that the Minister remembers that.

Mr Mike Hancock (in the Chair): Order. Sylvia, you have a lot of charm, but you are pushing it to extremes.

Lady Hermon: Thank you, Mr Hancock. I take that as a compliment.

Mr Mike Hancock (in the Chair): Yes, it is a compliment. Only you would have got away with that.

Ms Ritchie: I thank the hon. Lady for her intervention. She is indeed correct.

The Northern Ireland coastguard service at Bangor provides a vital service to the fisheries and tourism sectors right from Lough Foyle to Carlingford lough. Axing such a service will put at risk not only livelihoods, but lives. The Government must not take for granted the courage of those who devote time to rescue efforts on our shores. Funding must be protected.

We must remember that the coastguard protects not only the coast, but, as the hon. Member for North Down has said, Lough Neagh, Lough Erne, inland fisheries and inland lakes. It also provides an inland mountain rescue service for the Mornes and the Sperrins, and it is the point of contact for all helicopter operations in Northern Ireland.

The current proposals will leave Northern Ireland without a full-time coastguard station. This front-line emergency service has saved countless lives since its establishment. In the past year alone, the Northern Ireland team has dealt with more than 700 incidents. For me, my constituents and all my colleagues in Northern Ireland, saving lives is paramount.

The document that has gone out to consultation proposes that the Belfast Lough station, which is based at Bangor, might become a part-time station or that it might close, in which case our nearest coastguard would be the part-time station in Liverpool. The nearest full-time station would be at Aberdeen, on the east coast of Scotland. Co-operation is certainly important. Our co-ordination with Scotland and the south of Ireland has been invaluable in saving lives in previous rescue missions. I support north-south co-operation.

Ian Paisley *rose—*

Ms Ritchie: I will give way to the hon. Gentleman.

Mr Mike Hancock (in the Chair): Order. We do not want a long debate about co-operation.

Ian Paisley: What an opportune time to get an intervention. In 1989, I was involved in an attempt to rescue two drowning children off the coast of Northern Ireland. They had been holidaying there, but, unfortunately, one of them died. However, if it had not been for the co-ordination that the hon. Lady has mentioned, there would have been a double tragedy. It is essential that people recognise and get to grips with the fact that Northern Ireland will be naked to the ravages of the sea if we do not properly protect our coastguard.

Ms Ritchie: The hon. Gentleman is absolutely correct. Co-ordination and co-operation are vital, particularly on the island of Ireland. Closing the coastguard station in Northern Ireland is foolhardy, because there is a need for both coastguard services on the island of Ireland to work together and to co-operate.

The chief executive of the Maritime and Coastguard Agency, Sir Alan Massey, has indicated that the closures can be offset by the introduction of new technologies, such as Google Earth. Although I support the introduction of such measures, which can help to save lives, they must supplement, rather than replace, existing provisions. Nothing can replace local knowledge of the waterways or, in the case of Northern Ireland, the mountainous regions. That knowledge has been built up by generations of people living in the local communities.

Bill Esterson: I represent the Liverpool coastguard station, so let me express a degree of solidarity across the Irish sea. The staff at Liverpool recognise exactly the points that the hon. Lady and other Northern Ireland Members have made about the dangers of Liverpool trying to look after Northern Ireland. They do not feel

equipped to do so, and although they welcome new technology, they also recognise that local knowledge and experience are critical. They do not want to stay open at the expense of Belfast, because they want both stations to stay open.

Ms Ritchie: It is important to emphasise for the historical record that, in 1994, the then chief coastguard, Commander Derek Ancona, told the Select Committee on Transport that the importance of local knowledge should not be underestimated, and that point needs to be taken on board.

Mr MacNeil: I am heartened to hear that Liverpool and Belfast are not accepting the framework that the MCA has given them to set them at each other's throats. We have had the same situation between Stornoway and Shetland, and we are not accepting that, too. We in the Western Isles believe that Shetland should stay open 250 miles away because it is needed for the safety of mariners there. Stornoway should stay open as well. I am pleased that our message to the MCA is the same.

Mr Mike Hancock (in the Chair): Order. Ms Ritchie, I urge you to watch the time.

Ms Ritchie: Thank you, Mr Hancock. I will do so.

Previous attempts by Governments to implement large-scale technological developments have frequently encountered delays and cost overruns. We must ensure that we do not lose our existing resources and that we do not rely on the hope that needs can be met by using new technologies alone. Indeed, the same technology on which the coastguard is meant to depend has just been discarded by the UK's fire and rescue service, because it cannot rely on it. We risk people's safety becoming dependent on information technology that has not yet been implemented and which has not even been designed. Let us have new technology by all means, but we should supplement it with local knowledge.

Finally, I hope that the Minister will see fit to ensure that the proposal for the Belfast coastguard station at Bangor is abandoned. I hope that the message goes home to him and the Department that Northern Ireland needs to retain its services. My colleagues in Northern Ireland and I represent all the Northern Ireland constituencies, and we wholeheartedly oppose any attempt to remove those services.

Several hon. Members *rose—*

Mr Mike Hancock (in the Chair): Order. It is my intention to call Mr Gilbert, then Mr Owen and then Dr Wollaston. I will then try to fit everyone else in. Can we please give others the chance to make their contributions?

3.18 pm

Stephen Gilbert (St Austell and Newquay) (LD): I will make every effort to show atypical restraint in my remarks. I give notice to all colleagues that I will not give way.

I congratulate my hon. Friend the Member for Truro and Falmouth (Sarah Newton) on securing this absolutely key debate. The number of people here shows the concern that is shared across the House and the country, as well as across all parties. I also congratulate the hon. Member for North Ayrshire and Arran (Katy Clark) on tabling her early-day motion, which I was pleased to sign.

I grew up by the sea in Cornwall. My great-granddad made his livelihood as a fisherman. My constituency's north coast is protected by services from Brixham, while its south coast is protected by services from Falmouth, so there is every danger that we will suffer a double whammy. My intention is to press the Minister for assurances that that will not happen, and that he will always put the safety of those who use the sea before any other consideration.

I do not think that any hon. Members doubt the importance of the sea for trade, our food supply, leisure and our ability to come and go from these islands and explore the rest of the world. The people who protect our safety and ensure that we can benefit from all that the sea, and sea lanes, provide are the coastguards. As my hon. Friend the Member for Truro and Falmouth said, in a well-argued and passionate speech, Falmouth is already a centre of excellence for what it does; it is the place the rest of the world looks to to learn how to do such things. It concerns me greatly that the Government choose, outside of anything mentioned in the coalition agreement, to consider the reforms.

I shall be brief, to give other hon. Members the chance to speak. I want some reassurance from the Minister that the consultation is a real one, that the outcome has not been prejudged and that he will listen to all the bodies that are responding to the consultation. I want his assurance that the Government are exploring all other options to make the necessary revenue savings without reducing front-line services, and that at all times the safety of those who use the sea will come before any other considerations. Other hon. Members have noted that we are of course dealing with the need to modernise the service and, as my hon. Friend the Member for Suffolk Coastal (Dr Coffey) said, improve resilience, adapt to modern technologies and face a new century in a different way; but we must remember that we are an island nation and need the sea. It behoves us in this House to protect those who use it.

3.21 pm

Albert Owen (Ynys Môn) (Lab): I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing the debate. I raised the issue of the need for a Government debate on the matter with the Leader of the House, because of its importance and the timing of the announcement a few days before Christmas. I want to praise coastguard workers, volunteers and officers, and to thank the Royal National Lifeboat Institution, among other organisations; I am a member of its council. Search and rescue is another important part of the mix, and we need proper co-ordination.

I have limited time—and will respect your judgment, Mr Hancock—and will concentrate on local knowledge and the Welsh dimension of that, which there has not yet been the opportunity to discuss, as well as previous inquiries by the Select Committee on Transport into the Maritime and Coastguard Agency. Those are important. I agree with what has been said about local knowledge. It cannot be managed by a centre far away. The response time and co-ordination are essential, and require local knowledge, which cannot be transferred from one part of the country to another.

[Albert Owen]

The current process has more to do with centralisation than modernisation. I support devolution and real localism, and what is happening goes against that by centralising services in the most northern and southern parts of the United Kingdom, rather than having them dispersed in different areas. I think there is an element of cost driving the process for the Government. I am sad to say that, but I think it has the potential to lead to loss of life. I see the badge that the Minister is wearing; I served in the merchant navy for more than 17 years and I have some knowledge of the sea, having worked on it, and representing an island constituency, so I do not make those statements lightly: I believe them. I pay tribute to my hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick) who, when he was the Minister, did not duck the issue but dealt with it and listened. He had representations from all sides of the House when there was the potential for closures in the past, but he did not feel he should move forward with the speed and haste that is being adopted now.

Andrew George: Will the hon. Gentleman give way on that point?

Albert Owen: I am not going to take any interventions. I apologise, but I know that some hon. Members have made two or three interventions, whereas I only have a short time and did not make any.

There is a Welsh dimension to the issue. Swansea would be the only coastguard left under the proposals. That is a long way from Holyhead in my constituency in the north-west, which is strategically important in the Irish sea. I pay tribute to all those hon. Members from the west coast of Scotland and, indeed, Northern Ireland and the north-west of England who have spoken. We should not be pitting coastal communities against each other. We are talking about the safety of the British coastline and we need strategically important coastguard stations in that strategic overview. That could be compromised.

There is also a Welsh language issue, to do with local knowledge and the identification of places. Incidents have occurred in other emergency organisations that have been centralised, and I should like the Minister to look into the matter. The fire service, ambulances and police in north-west Wales have gone to the wrong location because either they cannot pronounce the place name or they have mixed it up with another location of the same name. That is a question of lives, and it is far too important to deal with it by saving costs and centralising, putting the service at risk and exposing it even further.

Finally, in 2003-04 the Transport Committee looked into the future of the MCA and closures in Oban, Tyne and somewhere else—it escapes me. The Committee concluded that there was a need for a proper safety impact study, and I do not believe—there is no clarity about it—that that has been carried out, years down the line. It would be a crying shame to rush into a new closure programme when the safety impact studies have not even been done on the previous recommendations of the Transport Committee. Holyhead is strategically important. There is a Welsh dimension to the question. The Minister had the courtesy to phone me up about the matter. I said that I would raise it. Under the time constraints of this debate no hon. Member can do their area justice. We need a debate in Government time and I urge the Minister to suspend the consultation and proposals until the issues have been properly dealt with and seriously given the consideration they deserve.

3.26 pm

Dr Sarah Wollaston (Totnes) (Con): I want to talk about Brixham maritime rescue co-ordination centre and its importance. Last year it co-ordinated more than 1,300 search and rescue incidents, assisting more than 1,900 people and saving more than 350 lives; 78% of those incidents were inshore or shoreline. Those are the incidents that need local knowledge, as I think all hon. Members would agree.

Mr Adrian Sanders (Torbay) (LD): Local knowledge is an extremely important point from a west country perspective. I wonder where someone in Solent would direct services if a call came in that someone was in difficulties off Blackpool beach. We have a Blackpool beach, just as Lancashire does.

Dr Wollaston: I thank the hon. Gentleman. Of course, we have the equivalent of 22 full-time and highly skilled watch-keepers. I know that the Minister pointed out that local knowledge will not be lost because the individuals can be relocated—to Falmouth, in the case of my area. However, unfortunately Falmouth is also drastically cutting staff under the proposals, so I suspect that the highly skilled staff at Brixham will find that very difficult. I suggest that their important local knowledge would be in danger of being lost. The point about local knowledge is that Devon, for example, had 25.2 million visitors last year—bringing in £2 billion to the local economy—and those individuals have no local knowledge. I have been told by a coastguard that very often a distress call will come in from people who do not know where they are. They might know that they are in Devon but they will not know they are on Blackpool beach, for example. They have no local knowledge and are often very distressed. The highly skilled individuals dealing with them on the phone must cope with that, to find out where they are.

The other issue is IT. My experience of IT in the NHS, for example, is that we had a £12.7 billion project, which was very disappointing, over-budget and highly overrated. We have also seen what the fire service experienced, which I shall not talk about much as it is the Minister's area of great expertise. My understanding is that it cost £423 million and the Taunton regional fire centre has not opened. The air traffic control system went £150 million over budget and was much delayed. I would say, to coin a phrase, "Over-budget, overrated, over time and over here."

Andrew George: One of the primary drivers—in fact the primary one, to go by page 16 of the consultation document—is so-called limited resilience. As the document recognises, coastguard stations are paired. There is no suggestion that the resilience has failed. Yet we are not told anywhere in the document how resilience is improved under the proposals.

Dr Wollaston: I thank the hon. Gentleman. I agree. Currently, we have paired coastguard stations, which are directly linked by cable as part of an existing BT cable network. In addition, the stations are linked by

point-to-point communications on a so-called BT kilostream unique to the coastguard—a kind of private radio network used by VHF radios. However, I find it hard to understand why it is so difficult to piggyback on existing cable networks to network all stations. I am dubious of the argument that it would be immensely expensive. I suggest that it is possible to network all existing stations at less cost than has been stated. It has also been stated that coastguard radio equipment is 12 years old and needs upgrading, and that it cannot be installed in existing coastguard stations, but the vast majority of calls are made by phone.

Brixham has been disadvantaged by the costings. In the year the costings were made, Brixham received a brand-new roof and an upgrade to its generator, which means that the building will now be fully fit for purpose for the next century. Given that its ongoing running costs will be considerably lower, it seems a shame that those renovations have been taken into consideration.

Like the coastguard stations in many colleagues' constituencies, Brixham also performs other functions. For example, the marine surveyors, which are vital to the Brixham trawler, are based there. Brixham also houses cliff rescue equipment, a rescue vehicle and a radio station. I hope the Minister will take that into consideration.

As many Members have said, we do not want one station to be pitted against another. We call on the Minister and the Maritime and Coastguard Agency to review the proposals thoroughly and hold a debate on the Floor of the House.

3.32 pm

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Thank you, Mr Hancock. I will dispense with the normal formalities to allow other people to speak.

In the past week, the coastguard at Stornoway has dealt with a French fishing boat on Rum, rescuing 14 people aboard, and a Tornado aircraft in the water off Rubha Reidh near Gairloch. Submarines have grabbed the headlines. Sometimes it is not about the number but the seriousness of incidents. We have had only one Braer, but that was serious. If Lord Donaldson were alive today, I wonder what he would say about the proposals. I hope that the Government have approached the co-authors of the Donaldson report to ask them exactly what they think of the proposals.

Nearly all this week in the Hebrides, we have had force 6 to 7 gales. On Thursday night, we are expecting storm 10. A person has to be there to appreciate exactly what that involves. In cold, calm London—I refer, of course, to the weather—it is difficult to do so; it is necessary to be in the locality. We need coastguard stations in the locality.

The weather primarily affects maritime safety, which is where I expected the consultation to start. Unfortunately, I discovered through various consultations and briefings from the MCA that the proposals are driven not by maritime safety but by real estate considerations, lease deals and hangovers from old industrial disputes within the MCA. The MCA management has desired to do it for some time. Safety and risk have been way down the pecking order, coming in a distant and shabby last to all the other considerations. I find that absolutely amazing and appalling.

I find it even more amazing that a risk assessment was not carried out specifically on the consultations. I am now hearing that a risk assessment will be carried out after the consultations, to make up for what has been done. Who can trust a risk assessment done after a consultation? We will be suspicious of any risk assessment from the MCA that is done to dovetail with MCA proposals. I am shocked, as are many other people. When we had a meeting, all the Stornoway coastguard workers were shocked that no risk assessment had been done.

Leaving Scotland with only one coastguard station in Aberdeen, where staff turnover is high, is also worrying. We need Shetland and Stornoway. They are 250 miles apart. Stornoway covers about 50,000 square miles at the moment; I do not think that it needs more.

As I said, no risk assessment has been done. No evidence is available on the impact of the reforms. The councils in the Hebrides and Shetland have commissioned their own research into exactly what they will mean. We feel that the proposals are technically flawed, and there are serious doubts about the reliability of the communications technology on which they rest.

The proposed reforms are also being touted as an efficiency saving, but I argue that the potential gains are minimal. It is estimated that just over £120 million will be saved over the next 25 years, or about £4.8 million a year. To put it in perspective, that is such a small part of the Department for Transport budget that it was not even included in its comprehensive spending review figures. It is absolutely astonishing what is going on.

I am aware of the time, so I will come to an end fairly quickly. To give a wee illustration, if someone in distress is using their radio and the ship is at Miavaig or Meavaig, but they only say it once, where is that ship in distress? That is what we are talking about. Ultimately, we are considering not efficiency but a marine insurance policy. I have not even mentioned the tugs that we are losing on the west coast of Scotland. There are huge questions connected with the plans. They are ill conceived, ill thought out and ill advised. The Government should go back to the drawing board and make absolutely sure that we are not compromising safety or our insurance policy in the maritime arena.

3.35 pm

Peter Aldous (Waveney) (Con): I am delighted to serve under your chairmanship, Mr Hancock, and I thank my hon. Friend the Member for Truro and Falmouth (Sarah Newton) for securing this debate. I will précis quickly what I was going to say. I pay tribute to the crew of the Lowestoft lifeboat, who received awards last week for the great bravery that they showed during a storm in 2009.

The coastguard needs to be reviewed. I have five concerns. The first relates specifically to the East Anglian coast and the proposed closure of the Yarmouth and Thames maritime centres. I am concerned about increased activity off the East Anglian coast, including the building of 1,000 wind turbines, continued dredging, renewed activity in the oil and gas sector and forthcoming construction work at Sizewell, as well as ship-to-ship transfers, increased shipping movement from Felixstowe and Yarmouth and more leisure activity on the broads, in the estuaries and along the coast. The current system

[Peter Aldous]

has the advantage of close co-ordination with the helicopter rescue service at RAF Wattisham and the ship service provided by Suffolk fire service. I therefore ask the Minister to review closely whether it is appropriate to close both stations.

My second point, which has already been made during this debate, is the importance of harnessing and retaining local knowledge. Members have spoken eloquently about it. I could speak about it as well, but the point has been well made.

Thirdly, I would welcome confirmation from the Minister that the review is a genuine effort to restructure and improve the service and that adequate Treasury funding has been secured to implement the proposals. It is vital that reorganisation is properly managed and resourced and that no effort or expense is spared to secure a successful transformation.

Fourthly, I understand that the Royal National Lifeboat Institution will make a single representation. I do not know what the RNLI's thoughts are, but I urge the Minister to give them full consideration, as the RNLI will play a vital role in implementing any change.

Finally, I have a slightly unusual request concerning flares, which must be disposed of safely if unused. I am advised that in East Anglia at present, the nearest disposal station is the Thames coastguard. If that is closed, will East Anglian seafarers have to travel to Dover or Humberside? If so, will the Minister consider the provision of a closer and more accessible disposal station?

3.38 pm

Bill Esterson (Sefton Central) (Lab): I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing this debate. I tried to secure it twice myself, so I am glad that somebody was successful. She mentioned Sir Alan Massey's remarks about the time delay. In an interview with BBC South West, he confirmed that there would be a time delay. Will the Minister address that apparent anomaly between Sir Alan's interview and what the hon. Lady said?

In his letter to me, the Minister said:

"You will be aware of the increasing levels of activity taking place on the coastline and waters of the UK."

Many of the staff at Crosby coastguard station have highlighted the irony of that statement, given the apparent reduction in the number of coastguard stations.

In the brief time that I have left, I will describe a couple of key issues raised with me. On consultation, staff tell me that the ideas that they have brought up in the past have never been taken on board. They were concerned that the people who drew up the proposals lacked recent front-line experience, and they were very concerned that Liverpool coastguard station was not included in the original draft consultation document and that it was earmarked for closure. Belfast would have survived and Liverpool was added only in the final version, which tells us a lot about the intention. The expectation is that Liverpool's closure is a done deal.

I will now allow the Front-Bench spokesmen to address the points that have been made. I urge the Minister to look at the issue again, go back to the drawing board and use recent front-line experience to come up with a set of proposals that, as well as using modern technology, recognise the vast experience and importance of local knowledge.

Mr Mike Hancock (in the Chair): I apologise to hon. Members who have been trying to catch my eye. I would have liked to give everyone an opportunity to speak, but I now call Jim Fitzpatrick.

3.40 pm

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Thank you, Mr Hancock. It is a pleasure to see you in the Chair. The last time I saw you, you were posing with an inflatable elephant, so you are in a much more dignified position now, and I am grateful for the opportunity to take part in this debate. I will try not to speak for a full 10 minutes in order to allow the Minister the opportunity to take a few interventions and respond to the points that have been made.

I congratulate the hon. Member for Truro and Falmouth (Sarah Newton) on securing this important debate, and all those who have contributed by way of speeches or interventions. As has been mentioned, the number of MPs present indicates the importance of this debate. It is good to see the Minister present. He had an important engagement at Transport questions last week, during which I raised the issue under discussion. The Secretary of State responded to my question, the context of which was the cancellation of Nimrods; the ending of the emergency towing vessels' contract; coastguards being made redundant; the closure of coastguard stations, and air-sea rescue being sold off. All those proposals are serious and significant. Individually, every one of them has national significance; collectively, they raise serious concerns about maritime safety. My question last week was whether the Department acknowledged that. I would be grateful to hear whether the Minister recognises that concern. I thought that the Secretary of State's response was slightly ungracious, but that is a matter for him.

As the shadow Minister with responsibility for shipping, I have been lobbied, not least by my hon. Friend the Member for Barrow and Furness (John Woodcock), on the question of the Walney coastguard. I have also been contacted by colleagues from the Western Isles, Brixham and elsewhere. I cannot imagine the pressure that the Minister might be under, given that he has to make the decision. It is entirely understandable that colleagues have today been engaged in special pleading for their local coastguard station or geographical area.

The MCA's 2010 annual report reported an increase in coastal deaths in 2008-09. More people are holidaying in the UK—I believe it is called a staycation—and the current economic conditions mean that such activity is likely to increase, which, aligned with the possibility of more tourists and visitors coming to Britain, means that there will be even greater risks. One of the questions being asked—most recently by my hon. Friend the Member for Ynys Môn (Albert Owen)—is whether the MCA has undertaken a risk assessment of the proposals. The consultation document mentions an equality impact assessment, but I would be grateful if the Minister confirmed whether I am correct in thinking that the impact, or risk, assessment will follow the conclusion of the consultation.

Parallels have been drawn between the proposals and the previous Government's plans for regional fire controls. The Minister and I share a little history: I was in the fire service, then he joined the fire service; I got elected to Parliament, then he got elected to Parliament; I was the Minister with responsibility for shipping; then he was the Minister with responsibility for shipping.

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I am—not was—the Minister with responsibility for shipping.

Jim Fitzpatrick: My apologies. The hon. Gentleman is the Minister with responsibility for shipping, which is a very good place to be. He is doing a good job and I know that the shipping industry acknowledges that and respects him for his involvement, even though he has been in the position for less than a year. I am tempted to ask him whether he will make the same mistake as me on fire controls. That contract has been cancelled due to a number of issues. Does he, like several colleagues present, recognise a parallel between that and the proposals under discussion?

It is proposed that staff numbers will fall from 491 to 248. There is an historic question of underpayment of coastguards. Historically, many coastguards were recruited from former members of the Royal Navy or the merchant navy. They came with pensions and were able to be paid a little less than the going rate—certainly less than the other emergency services. That tradition has, of course, been outlived. It was one of the issues with which I grappled as a Minister and, I think, managed to solve with the support of the MCA and Department for Transport officials, whose service I commend—there are many excellent people in both organisations. We managed to persuade the Treasury that that issue needed to be looked at, and I would be interested to hear what discussions the Minister has had with the Treasury about it.

How many of those who lose their jobs does the Department estimate will receive compulsory redundancies? The savings are estimated to be £120 million over 25 years, as the hon. Member for Na h-Eileanan an Iar (Mr MacNeil)—or the Western Isles as the rest of us like to call it—said. The Lord Donaldson inquiry into the Braer disaster recommended an emergency towing vessel for Stornoway. It is suggested that, if that contract is abandoned, it would take 18 hours for a privately contracted vessel to arrive. That one incident involving the Braer cost £100 million, which will wipe out 25 years of savings if the Government proceed with their proposals. Does the Minister acknowledge the connection between emergency towing vessels and the coastguard proposals?

Much is made of volunteers and volunteering. We have a proud tradition in the UK, as do other countries, in that regard. However, as we have seen only today with the noble Lord Wei's decision to cut his hours at the Cabinet Office from three to two days, volunteers can face problems in giving a commitment due to the pressures on family and business life.

We all acknowledge the need for deficit reduction after the global banking crisis. The real concern is that the Department seems to be going too far, too fast and too deep with these cuts, and the consultation, with which the Minister is encouraging everybody to get involved, will demonstrate whether that is the case.

In conclusion, shipping is pretty much invisible to most people, but it is absolutely critical to the UK, as has been articulated by many colleagues this afternoon. It generally does its job quietly and efficiently, which is to the huge credit of everybody involved in an industry that serves us so well. Safety for those involved and for the millions of recreational seafarers, citizens and visitors who enjoy our coastline is paramount. The proposals are causing serious concern among that whole community. As others have said, I am certain that we will return to the issue time and again, with more debates and more questions, in the months ahead. I look forward to hearing from the Minister to allow that debate to begin.

Mr Mike Hancock (in the Chair): Before I call the Minister, it would be remiss of me not to apologise to those who did not get an opportunity to speak, and not to thank those who showed courtesy and played their part in making this a worthwhile debate. I hope that the debate's message is not lost on the Minister or the usual channels: Members of this House expect and require a further debate on the issue sometime in the near future because, as has been demonstrated, it touches so many of them.

3.48 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): Thank you, Mr Hancock. It is a pleasure to speak as the Minister with responsibility for shipping under your chairmanship. Like the shadow Minister, I come from an emergency service background, so I am exceptionally proud of my position. The issue is not devolved, and we should be very proud of the fact that there are people throughout this great country of ours who wish to serve their community. I shall try to touch upon as many points as possible in the very short time available to me. I want to state from the outset how proud I am of the emergency services that serve under me, whether they be the coastguard—my volunteers and my full-time staff—or the other emergency services that work with us, namely the RNLI and the hundreds of volunteers who work in other boats, crews and rescue services that, while they may not be generally well known, are well known in their communities.

It is way above my pay grade to decide whether there will be a debate on the Floor of the House, but I will speak to my Whips about it. Of course, we have a new wonderful system, under which we can go to the Backbench Business Committee. Thursdays are also available for exactly this sort of debate. That hint might be taken up by some of our colleagues. It will be very difficult to do the debate justice in the short time we have had together. If I do not answer each individual point, my officials are listening and I will write to colleagues. If hon. Members want a meeting about any specific points, that option is available. My officials, including the coastguards who are represented here today and are listening, will be available to hon. Members.

I thank colleagues who took time yesterday to come to the Back-Bench meeting that we had upstairs. For some colleagues, it was a busy time in Parliament, but I think those who attended the meeting felt that it was useful to have face-to-face conversations, and not just with me. It was a cross-party meeting. Interestingly, not as many colleagues attended as are here today, but I can understand that. We will arrange some further meetings.

[Mike Penning]

The consultation is progressing. I stress that, at this point, we have not made a decision. That is why it is a consultation and I am pursuing people to take part in it. There is no opportunity for no change at all. All the union representatives to whom I have spoken around the country accept that. Only the other day, when I was at a coastguard station, one of the senior officials said after discussions, "Well, we think it should be nine."

Mr MacNeil: Will the Minister give way?

Mike Penning: I will make some progress and, if there is time, I will take interventions. However, there have been a lot of interventions during the debate and I think my hon. Friend—I call him that because I know him very well—has done very well at getting in. Colleagues might want to listen to the Minister a bit now.

Interestingly enough, I do not know what those nine stations are. I hope—the hon. Member for Sefton Central (Bill Esterson) was present when it was said in his constituency and I met the coastguards there—that some proposals are made to us. Proposals in some shape or form, not dissimilar to those we have been discussing, have been on the table for a considerable time—before I became the Minister; when the shadow Minister had the role. The chief coastguard has been in the role for two years. He said to Back Benchers yesterday that the proposal was on the table when he arrived two years ago.

The debate is about: where, how many, resilience and how we take this into the 21st century. As much as there is expertise in, passion for, dedication to and, in some cases, love for the coastguard service, it is not a 21st century service. If we try to say, "It's okay. We could each individually save our coastguard station," we are not doing the service justice. We have to make progress.

There is a debate about the matter, and when I first looked at the list, there was certainly a discussion on which stations would close, which would go to part-time working and which would be made into larger hub stations—the national resilience stations. The hon. Member for Sefton Central is absolutely right: Liverpool was listed for closure. I apologise, if it is not technically Liverpool, but it is Liverpool on the paper. I said, "No. It is a very balanced argument between Belfast and Liverpool." We will look at that matter.

Lady Hermon: Will the Minister give way?

Mike Penning: No, I will not give way because I did not do so before. I looked again at Scotland, where there was a similar situation. We looked at the document and inserted the other stations, so that we could balance the two that I mentioned.

Let me discuss what we are proposing and what we have got now. I have heard some passionate contributions from hon. Members who represent areas from all over the country. What is great about having this post is that the subject with which I deal is not devolved; it is about the United Kingdom, complete and in its entirety. It is about the protection of the fleet, of people on holiday and of communities, whether people are visiting the community or not. Let us consider what we have today. I shall use one classic example and look at Belfast, which is the only station in Northern Ireland. That station is paired with Clyde. If Belfast—Bangor station—goes down, where is all that knowledge and information, which is mostly stored in people's heads, not on paper? It is lost. If we have a power cut or resilience problems, the station that the hon. Member for North Down (Lady Hermon) represents is paired with Clyde. After listening to the hon. Lady's arguments, with the best will in the world, Clyde does not have that knowledge. Why? Because that knowledge is trapped in Belfast and in Northern Ireland. The same applies to Falmouth, Brixham and the Humber.

Andrew George: Will the Minister give way?

Mike Penning: No, I will not. I have listened to the debate. To be fair, hon. Members asked for a debate and I need to respond to it. As we go around the country, each station is paired with another one. However, there is not a transfer of knowledge. Falmouth is internationally renowned for its international rescue capabilities. If we have a problem in Falmouth, where does that get picked up? Nowhere.

Albert Owen: Falmouth.

Mike Penning: If Falmouth goes down, the relevant knowledge does not exist anywhere else.

Mr Sanders: Yes it does.

Mike Penning: It does not. The knowledge is in Falmouth. The international rescue knowledge is based there. I know that everyone will try to defend their own individual situations, but we have to bring that knowledge together and use it.

Dr Wollaston: I take issue with the Minister because I know that Brixham coastguard takes over from Falmouth in international incidents, when Falmouth is unable to respond.

Mike Penning: The case that we heard earlier, which was brilliantly made on behalf of Falmouth, referred to the fact that it is the centre of excellence. That is the place with all the knowledge, all the information, all the expertise and skill. It is not duplicated identically across stations.

Albert Owen: Will the Minister give way on that point?

Mike Penning: I gave way previously because I specifically referred to Falmouth. If we are to go forward, we have to be honest with our constituents about what is going on. Let me just touch on some of the points and some of the things I have heard on the airwaves and read in the paper.

There will be no reduction in the cover provided to rescue people. The service provided by those fantastic almost completely voluntary people who give up their time to go out will be enhanced and invested in. That service will not under any circumstances be touched. We will invest and go forward. They know that. We worked with the unions very early on and we talked to them all the way through. It is wrong—really wrong—to use emotive language and say that people would die if

these changes take place because there is no evidence for that. I listened to the hon. Member for Ynys Môn (Albert Owen) earlier talking about such things. I have been at incidents where people have died. I have gone in and done everything possible, like the people in the crew that was mentioned. We do not know whether that crew would have got there any quicker under a new or existing system. What I will do—this has been touched on several times in the past few minutes—is publish the risk assessment next week; not at the end of the consultation, but next week. That will mean that everyone, including hon. Members' constituents, can look at it. I have been accused of not publishing it and not acting. It will be published next week and it can be part of the consultation as we go forward.

Ian Paisley: Will the Minister give way?

Mike Penning: The hon. Gentleman will have to bear with me because I have two minutes left.

We should not sit back and, on behalf of our constituents, say that we think all stations can stay open and that everything is fine. I know that the previous Government looked at the matter because it was on the table when I was appointed. My hon. Friend the Member for Poplar and Limehouse (Jim Fitzpatrick)—I call him my hon. Friend because we have been friends for many years—has been sensible and this has been quite a sensible debate. What worries me is that, when hon. Members go home, they will say to their local papers tonight—I have seen such things in the papers that land on my desk in the morning—that lives are at risk and are going to be lost. The headlines will be : "Cuts to your service," "Cuts to the frontline," "Cuts to this." That is not going to happen. There will be job losses. Some will be voluntary and some will be compulsory.

John McDonnell (Hayes and Harlington) (Lab): Some 200 jobs are going.

Mike Penning: We do not know the numbers.

John McDonnell: On a point of order, Mr Hancock. The Minister has made reference to the unions agreeing with his proposals in some form. I would not wish him to mislead the House. I chair the Public and Commercial Services Union group in Parliament. That group represents 500 members who will be affected. The unions have not supported these proposals and will not accept 220 jobs being cut, which they believe will put lives at risk.

Mr Mike Hancock (in the Chair): That is not a point of order, Mr McDonnell, but an issue for debate. There are 30 seconds left.

Mike Penning: This is a very healthy debate. I have worked with the unions and sat down with them. They know that there needs to be change and they also know that there will be job losses. That was discussed before I became the Minister and since. A trade union dispute has gone on that has affected these wonderful volunteers for years. That has to stop.

I agree, Mr Hancock, that the matter needs further debate. My closing comments are these. The consultation is open. The matter is not actually decided. I will be in Belfast the week after next. I will be in Scotland. I should have been in Stornoway last week, but I could not go. I will do my best to go around, and my officials will be at the public meetings—

Mr Mike Hancock (in the Chair): Order. I am sorry that I had to cut in on you, Minister. Can Members who are leaving do so quietly and quickly? We have a Division.

4 pm

Sitting suspended for a Division in the House.

4.12 pm

On resuming—

Mr Mike Hancock (in the Chair): I am delighted to say that we can start in advance of 4.15 as most of the participants in the debate are in the room. It is a unique occasion to have a Liberal Democrat in the Chair, a Liberal Democrat as the Minister replying and a Liberal Democrat Member opening the debate. It must be a first.

Myalgic Encephalomyelitis

4.13 pm

Ian Swales (Redcar) (LD): I begin by reading what a constituent of mine, Jan Laverick, who suffers from myalgic encephalomyelitis, wrote to describe her condition:

"ME is sudden and extreme muscle weakness to the point of not being able to lift a glass. It is collapsing with exhaustion and not being able to move for hours. It is struggling to sit up long enough to eat a meal that has been placed in your lap. It is tachycardia, seizures, paralysis and black outs. It is sensitivity to light, sound and touch. It is extreme abdominal bloating, nausea, loss of appetite, excruciating stomach cramps…It is daily fevers and sweats. It is inflammation and horrendous joint, nerve and muscle pain. Imagine suffering from these symptoms only to find there is little research into the cause or cure, that you might not be taken seriously by your GP or the benefits system. Your condition might even have been dismissed as 'yuppie flu'."

I welcome the fact that the Department of Health now accepts ME as a genuine medical condition. However, it is clear from speaking to sufferers and medical professionals that diagnosis can still pose a problem because ME symptoms are similar to those present in several other medical conditions. I recognise that one of the main obstacles to the adequate treatment of ME is the lack of knowledge and consensus about the disease, and I will argue that funding and research must be focused on the biomedical factors involved, and not simply on managing the psychological symptoms.

James Wharton (Stockton South) (Con): I congratulate my hon. Friend on securing this important debate on a subject that I know is close to his heart. It has been raised with me, as it has with him, by a number of constituents who are concerned about it. I echo his comments and point out that, at present, no funding is available for biomedical research into the causation of ME. Does he agree—I believe he just said that he does—that this is an area we want the Government to look at again, and that we should encourage them to take seriously?

Ian Swales: I thank the hon. Gentleman; indeed, that is right. I am not sure whether no funding is available, but it certainly is the minority of funding, and that seriously needs addressing.

My goal is to see the Government-funded Medical Research Council work with ME sufferers and biomedical researchers to achieve a proper understanding of the condition's challenges and to change the unjust perceptions of it.

Annette Brooke (Mid Dorset and North Poole) (LD): I congratulate my hon. Friend on securing this debate. It is almost a year since I had a similar debate, but I am not sure that we have moved on since then. Recently, the MRC announced £1.5 million for research, but does he agree that there appears not to be an overall strategy to deal with research into ME, and that there still seems to be concentration on the symptoms and not enough attention given to the causes?

Ian Swales: I thank my hon. Friend. Yes, the lack of a strategy focused on the latest information is one of the problems.

I was delighted that two days after this debate was announced, the MRC announced £1.5 million for further research into ME—I am sure that it was just a coincidence. That important step shows that leading medical researchers and the Government are finally admitting that current thinking on ME is inadequate.

The condition affects an estimated 250,000 people in the UK. It is not a disease of the elderly: onset commonly occurs during the 20s to 40s in adults, and between 11 and 14 in children, wrecking the lives of so many young people. Studies show that the vast majority of patients never return to their pre-illness level of functioning, and relapses can occur several years after remission. ME is an extremely complex disease for which there is no scientifically proven cause or cure. The main symptom is severe fatigue following almost any mental or physical activity which does not go away with sleep or rest. That often leads to its being defined under the term "chronic fatigue syndrome". However, an important step in changing the misleading perceptions of ME is to recognise that CFS is a loose umbrella classification covering a wide range of illnesses of which fatigue is a prominent symptom, and that those illnesses may be neurological, malignant, infective, toxic, genetic or psychiatric in nature. Fatigue is a loosely defined symptom which can occur to some degree in a wide range of conditions.

Using that umbrella term has further compounded the already significant obstacles to the diagnosis and treatment of ME, which is now identified on the basis of at least nine different definitions. A major problem lies in the fact that different types of illness are also contained under the CFS umbrella. That makes sound scientific research difficult to conduct, as different illnesses have different biomarkers. A research group that consists of people with completely different physical and psychological causes of their fatigue or tiredness can have only limited use, and certainly cannot lead to the development of any sound findings on the causes of ME.

ME, on the other hand, has a clear definition. The term "myalgic" means muscle pain, while "encephalomyelitis" means inflammation of the brain and spinal cord and represents a clearly defined disease process which has been included in the World Health Organisation's "International Classification of Diseases" since 1969. That poses the obvious question of why research has been mainly focused on psychological symptoms, when the very definition of the disease refers to a physiological condition. "Fatigue" is also a clumsy way of describing a complex range of extremely debilitating symptoms. It is not the kind of fatigue that non-sufferers would recognise. ME, as we heard from my constituent, can involve sudden and extreme muscle weakness to the point of not being able to lift a glass. What recognition is there in the Department that ME is distinct and different from the much broader term CFS? Equally, in the light of the recent MRC funding announcement, I urge the Minister to encourage the Department to focus its research, as treating ME/CFS as a single homogeneous condition will only encounter the problems I have just outlined.

That blurring can also lead to a uniform approach to treatment, which is unreasonable and even dangerous. An indiscriminate, blanket approach to treatment was advised by the National Institute for Health and Clinical Excellence in 2007, no matter what the disease process, infectious agent or psychological condition. Again, the

symptom of fatigue gets flagged up and treated in the same way in nearly all cases. That can be ineffective for many, and positively dangerous for others. That lack of recognition of ME specifically happens at every level; yet I believe it essential that GPs have the ability to spot ME early and to prescribe appropriate, tailored advice. I would like the Government to recognise the many differences between and subtleties of ME and CFS, and urge the Minister to do the same, as the current treatment guidelines are completely unacceptable.

I decided to call for this debate because the issue has been under-researched. The lack of understanding and stigma surrounding ME have meant that sufferers have had to live with the condition without recourse to the treatments and research they deserve. I initially tabled early-day motion 778 to gauge support, and I am delighted to report that, as of yesterday, 100 colleagues from all parties have put their names to it. That shows the strong feeling in Parliament that significant changes need to be made. There has been a distinct lack of funding into ME research in the past decade. Between 2000 and 2003, not a single penny was spent by the MRC on researching the condition. Things did improve, peaking with just over £1.3 million allocated in 2007-08, but that dropped to just £109,000 in 2009-10.

I welcome the recent funding announcement. However, more than 80% of the MRC's expenditure on ME research so far has been allocated to psycho-social therapies, instead of biomedical studies to prove the existence of a physical cause. That research has continued to pursue a well-trodden path and ignored a vast landscape of other, potentially more rewarding areas. I am concerned to see whether the new MRC funding will focus on that biomedical work. Not only has there been a palpable lack of funding for research; a past study commissioned by the Department of Health found that the quality of research was poor. For a long-term condition that affects 250,000 people in this country, with no known cause or cure and huge costs to the NHS, the amount of research funding dedicated to it, even with the recent announcement, is pitiful.

Misinformation, widespread confusion and ignorance about ME and CFS have resulted in people with entirely different illnesses receiving the same diagnosis. A London sufferer, David Eden, drew my attention to some interesting research that has been taking place in the United States. Recent studies by the Whittemore Peterson Institute, the National Cancer Institute and the Cleveland Clinic have linked ME with the presence of a newly discovered retrovirus. Blood from 68 of 101 ME patients was found to contain a human gammaretrovirus, xenotropic murine leukaemia virus—XMRV—while only eight of 218 healthy patients were found to have the same retrovirus. While that result grabbed headlines, most subsequent studies have been less clear, although one other study did support the original findings. It remains uncertain as to whether XMRV is linked to ME and is involved in causation. I would like to encourage the Minister, therefore, to explore other areas of research, such as retroviruses, in order to ascertain once and for all whether they play a part in ME. To judge by the contact I have had with sufferers, there is constant frustration that the Government are failing to fund research into key areas.

Another, more practical consideration is the recognition of ME by the benefits system. Currently, disability living allowance is assessed by severity of condition, and ME is treated like the vast majority of other conditions. Due to the lack of overt clinical findings, much of the assessment rests on anecdotal evidence and whether the person's description of their disability is consistent with their daily activities. However, despite the guidance on conducting these interviews, an ME sufferer will only be able to attend such a session on a good day. It is therefore impossible to judge accurately the severity of the condition at the assessment interview. I would argue that a more flexible approach to ME is needed. The effects of the condition can wax and wane unpredictably, meaning that often, a person's DLA is withdrawn because of a short-term respite of the symptoms. There needs to be more consultation with and input from GPs and other medical professionals who are in contact with the individual over a prolonged period. Obviously, I understand that this issue is not directly the Minister's responsibility. However, I strongly urge him to make representations, and to make this case, to the Department for Work and Pensions.

I thank hon. Members and the Minister for listening. To end the plight of ME sufferers, appropriate and correctly targeted biomedical research into the causes of the disease must be funded. GPs must be properly apprised of the specifics of ME; sufferers' disability must be recognised in the benefits system, with the support of GPs; ME and CFS must be properly classified; and fatigue must no longer be used as a catch-all symptom. The current situation, which has endured for decades, cannot be allowed to continue. As things stand, 250,000 men, women and children, their families and carers, face terrible injustice and neglect. I call on the Government to put that right.

4.26 pm

The Minister of State, Department of Health (Paul Burstow): It is a pleasure to serve under your chairmanship, Mr Hancock, with the coincidence of speaker and respondent in the debate.

I congratulate my hon. Friend the Member for Redcar (Ian Swales) on securing the debate, and thank him and other hon. Members for their contributions. This is not the first time the House has debated these issues. My hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) raised them—as have others, including me—when in opposition. My local ME support group has been encouraging, and what it has taught me has been an invaluable part of how an MP gets an insight into a condition they might not personally suffer.

I realise that this is a difficult and controversial subject, and I can understand why feelings run high. I appreciate the difficult and desperate struggles that people often face to achieve clinical recognition and relief from the condition, and a sense of hope that there is a direction of travel toward understanding the underlying causes, and eventually getting a cure.

I will ensure that the comments of my hon. Friend the Member for Redcar about benefits are passed on to ministerial colleagues at the Department for Work and Pensions. Although he made some important points in that regard, I will not address them as they are above my pay grade—or certainly outside it.

The basic challenge is that we do not know with any confidence what causes the distressing symptoms—indeed, the condition itself—that my hon. Friend so clearly

[Paul Burstow]

described. That is why he is right, as is the hon. Member for Stockton South (James Wharton), to highlight the need for research. On my hon. Friend's point about defining the condition, until we have a strong clinical evidence base, we have to keep an open mind about whether this is one condition or a number of conditions with similar symptoms but different causes. The Department does follow, and will continue to follow for the time being, the World Health Organisation convention in how we describe and refer to the condition—that is, to call it CFS/ME. That is the WHO definition; it is not a specific term that the Department of Health has alighted on and no one else uses. It is important that that be understood.

On present understanding, that definition best captures the spectrum of symptoms and effects that characterise the illness. As yet, there is no cure nor any consistently effective treatment for the condition. As my hon. Friend rightly said, we do not even have a standard diagnostic test to confirm the condition. Diagnosis is possible only through excluding other illnesses with similar symptoms. There is, however, strong international consensus that CFS/ME is a chronic and disabling neurological illness. I want to stress that it is a neurological illness; it is not a mental health problem. I know that that suggestion causes great concern—and, arguably, offence—for many sufferers who have campaigned vociferously against it. The strength of many people's reaction to that label says a lot about the stigma that is still attached to mental illness, and about the attitudes of health professionals towards it. We seek to tackle those two problems in the mental health strategy that the Government have published today.

Although CFS/ME has no psychological foundation, that does not mean that we cannot gain lessons and insights from cognitive behavioural therapy, and that where appropriate, it should not be used as part of a treatment plan, just as it is for many other long-term health conditions. The NICE guidelines, to which my hon. Friend has referred, include counselling and graded exercise as possible treatment options. Let me emphasise the words "possible" and "guidelines." Neither of those things is mandated, but they could form part of a conversation between the clinician and an individual about the appropriate, personalised approach to their situation.

The guidelines seek to help a person to manage their symptoms as much as possible. In lieu of any clinical cure, that is about social recovery and helping people to manage their symptoms, be clear about their goals and define their own recovery, rather than simply prescribing a clinical treatment. We know that the treatment in the guidelines helps some patients but, as my hon. Friend has said, for many people it does not help at all, and some people find it offensive. The obvious point—I will return to this in a moment—is that a doctor needs to work with the patient to find the most appropriate way forward. That is why personalisation is at the heart of our general approach to long-term conditions, which is critical in this debate.

With no cure, research is naturally a source of hope for those with the condition, and my hon. Friend has made a powerful and compelling case for further investment. However, it is not as simple as the Government saying, "We will the end but we are not clear about the means when it comes to research," and it is not a case of allocating a research pot to a specific disease type. Down that road lies poor research, not discovery and real change.

We are protecting health research budgets overall. That decision was taken from the centre and made by the Chancellor in the spending review. However, decisions about how money is allocated remain—rightly—with the Medical Research Council and other funding bodies, not with a Minister behind a desk in Whitehall. That must be the case with other funding bodies.

The MRC has nominated CFS/ME as a strategic priority area for several years. Indeed, it has set up an expert group to focus specifically on the condition in a way that did not happen previously. The group comprises leading academics from across the country, as well as representatives from several organisations that have direct experience and interest in the condition. They are working together to improve the capacity and opportunities for research in the area.

My hon. Friend has acknowledged as good news the fact that the MRC is making up to £1.5 million available to support research into the causes of CFS/ME, which is welcome. Decisions on funding will continue to be made purely on the quality of research funding received. Critically, as in any area where we need more research, that sends a clear signal that the money is there and that there is a willingness to commit funds to research. The gauntlet has been thrown down to the research community to rise to the challenge and ensure that there are enough bids of sufficient quality to draw in that funding.

The funding call will focus on six priority areas identified by the expert group— autonomic dysfunction, cognitive symptoms, fatigue, immune problems, pain management and sleep disorders. I will ensure that the MRC and other research bodies look at this debate and see the additional points that have been made about biomedical research, so that that can be taken into account by the expert groups.

The call will also seek to build up research capacity, because one of the challenges has been attracting more researchers into the field. The expert group can only achieve so much on its own and, if I may be blunt, there has been a history of fractiousness and fragmentation between different groups with an interest in the area. Often, it is easy to agree on what we do not like, but harder to agree on the common ground and what the course of action should be to change things. I understand the heightened emotions that are often articulated by constituents who suffer from the condition, and I have spoken about that to people in my surgery. However, we will not achieve anything if organisations do not work together and engage with one another to find common ground and build alliances.

All patient groups need to look outwards and be positive about how they can work with the NHS, the Department, medical researchers and each other to influence change. One big challenge is to get more researchers interested in that area of work, but we are sometimes in danger of shooting ourselves in the foot by failing to show a united front.

Everyone with a stake in this area has an interest in ensuring that a constructive and supportive environment exists for research—that is key. Division and discord will not accelerate the pace of change, and I hope

that the reconstituted all-party group on Myalgic Encephalomyelitis will play its part in facing that challenge and driving us forward.

My hon. Friend has mentioned the XMRV retrovirus, and I want to underline his point. It is an area in which research is not conclusive and where further research is being pursued to establish whether there is a link. At this time, however, there is no robust evidence to suggest such a link. Research can provide hope for the future, but we need to do more now to improve care for people with the condition.

The NHS does not always get it right for people with long-term conditions in general, let alone those with CFS/ME. The problems faced by people with CFS/ME are consistent with those caused by other conditions. Care is fragmented rather than integrated, and people struggle to be referred to a specialist in a timely and appropriate way. Most importantly, there is a sense that health professionals see the condition, rather than the person in front of them. Although this debate is about how we describe CFS/ME, it taps into some basic ideas. All too often, the label ends up mattering more than the person. Health professionals decide how people are treated and to which services they should be referred, but that should not be the most important determinate. We want the patient and doctor to work in partnership in the consulting room, meeting as two experts—one on the person, and one on the appropriate ways to support and treat them.

The greater use of personalisation and care planning can play a part, and that must be an explicit part of the Government's plans for the NHS. However, it goes deeper than that, because it is really about patients being given the power of self-determination. The idea of, "No decision about me, without me," should be a governing principle of the NHS. People should be asked to set their own personal goals and work together with professionals to achieve them. Everybody is different, and we must ensure that the care they receive reflects that.

My hon. Friend did not mention commissioning, but it is important to touch on that issue. To achieve these changes and get the right services and specialists, we must make sure that support is available. I know from my own constituency that excellent work is done in specialist CFS/ME clinics to integrate care for patients. Nevertheless, there is patchiness around the country that compromises the quality of treatment and reduces the options available. That is why we must improve commissioning, and GP consortia can help us involve patients much more in how local services are shaped.

I stress that the future of the NHS is local, not national. It is about local NHS and local GP consortia working with local patients' groups and making decisions based on a clear understanding of their needs and local needs. To commission effectively, GPs must understand the needs of patients with long-term conditions.

I hope that the Neurological Alliance can play an important role in that. Nationally and regionally, it has support networks that can make a huge difference by levering change in the commissioning of neurological services. I urge groups with an interest in CFS/ME to engage with the Neurological Alliance, use it, work through it and form connections with it, as a way of shaping and changing services in the future.

In conclusion, there are real opportunities ahead, and a real chance to address some of the frustrations and misery experienced by people with this condition. My message, and that of the Department of Health, is that there is an open invitation for representative groups to get involved in shaping the future of the NHS. We want the Neurological Alliance to be a key source of advice and support for GP consortia and health and well-being boards at local level. I am sure that the new NHS commissioning board will be keen to build links with the alliance in forming national policy.

The urgency exists, and the additional commitment to drive long-term conditions to the top of the agenda is one of the Government's ambitions. I thank my hon. Friend for raising these issues, and we will continue to work together to make sure that we improve the lot of his constituents and those of other hon. Members.

Mr Mike Hancock (in the Chair): Thank you, Mr Burstow. I ask those hon. Members who are not involved in the next debate to leave the Chamber quietly and speedily.

Police Funding (Devon and Cornwall)

4.40 pm

Mr Ben Bradshaw (Exeter) (Lab): I begin the debate by warmly praising the work of Devon and Cornwall police. Those of us who are fortunate enough to live in Devon and Cornwall live in the fourth safest place in England. My experience as the MP for Exeter means that I know at first hand of the tireless work that my local police and community support officers and, indeed, civilian staff do in tackling and deterring crime, bringing down antisocial behaviour and making the people of Exeter feel safer on the streets.

Crime in Devon and Cornwall fell by a whopping 11% last year alone. That fall was unprecedented in times of economic recession, and it followed year-on-year falls in crime throughout the period of the Labour Government—a period during which crime fell by 43% nationally and by even more in Devon and Cornwall. I pay tribute to the men and women of Devon and Cornwall police and to their excellent chief constable, Stephen Otter, for such a fantastic record.

However, I fear that that record is about to be undone. It is inconceivable that the level of cuts being forced on Devon and Cornwall police by the present Government's reckless economic policies will not make it harder for our police to fight and deter crime. Before and after the election, we were assured by the Prime Minister and others that the cuts would not affect front-line policing. We now know those claims not to have been true. That is coming not from me or from Labour's shadow Home Secretary, but from Devon and Cornwall police themselves. They now have to cut £47 million, or 25%, from their budget during the spending review period. Seven hundred police officer posts are to go—that is a massive one in five officers from the current 3,500.

The chief constable, an accomplished diplomat who chooses his words very carefully, said that he was "disappointed", adding that the settlement was

"even worse than we had anticipated it would be."

Sergeant Nigel Rabbitts, chairman of the Devon and Cornwall police federation, which represents rank-and-file officers, says that some west country communities will never see a police officer in future. Even in those areas that will continue to see a police presence, the provision that was promised and ensured under the previous Labour Government of a dedicated police officer and community support officer will be unsustainable, according to an internal document published by Devon and Cornwall police about how they will cope with the cuts.

To add insult to injury, the Government have also scrapped the extra funding that Labour made available to Devon and Cornwall in recognition of the challenges and extra costs involved in policing a large rural region. It is deeply ironic that Conservative and Liberal Democrat politicians who used to moan about the Labour Government ignoring rural areas—often flying in the face of the evidence—are now taking away Labour's rural policing grant. Devon and Cornwall's chief constable has made it clear that that will have a further disproportionate impact on Devon and Cornwall. Sergeant Rabbitts said that the force had been—I do not know whether this is unparliamentary language—"shafted" by the Minister's Department. Brian Greenslade, the former leader of Devon Liberal Democrats and head of the Liberal Democrat group in the Association of Police Authorities, said that Devon and Cornwall had been the "big loser" in the funding round.

At a time when our police services are facing the most savage cuts in their history, why are the Government embarking on a costly and dangerous restructuring of the police that no one wants? The Government's proposals for elected police commissioners are madness, and the last thing we need against the current financial backdrop.

Mike Bull, the chairman of Devon and Cornwall police authority, which, let us not forget, is dominated by Conservative and Liberal Democrat councillors, is withering in his assessment of the Government's proposals. He says that they are a "shocking waste of money" that will bring "party politics into policing". He goes on to warn that a low turnout in the proposed election for a police commissioner could lead to extremists such as the British National party taking control of the police. Writing last month in our regional newspaper, the *Western Morning News*, Mr Bull asks:

"How...can one person be in touch with and understand the different communities across Devon, Cornwall and the Isles of Scilly?"

The cost of the election for the police commissioner will be nearly £2 million, not including the commissioner's proposed salary of £120,000. That is the equivalent of employing 50 police constables every year, and far more than the cost of the current police authority.

I therefore have a number of questions that I would be grateful if the Minister responded to. Why did he and the Home Secretary get such a poor deal from the Chancellor of the Exchequer in the comprehensive spending review? Does he accept that the level of cuts imposed on Devon and Cornwall will mean—contrary to assurances given by the Prime Minister—that front-line policing is hit? On what basis has he scrapped the rural policing grant? Will he accept that that will hit Devon and Cornwall particularly badly? Why are the Government forcing us to have elected police commissioners? Will the Minister not accept that they are a waste of money and risk politicising our police? Can he name a single Conservative or Liberal Democrat member of Devon and Cornwall police authority who thinks they are a good idea? Where are the west country Conservative and Lib Dem MPs queuing up to intervene in this debate in support of the Government's proposals? Will the Minister rethink these disastrous plans before he does even more damage to our police?

I would be grateful if we did not get the usual excuses that we get from Ministers about having no choice in how they cut the deficit. Of course the deficit needs to be cut, and there are economies to be made in the police as there are in all our public services, but the present Government have taken the deliberate decision to eradicate the deficit in a single Parliament. The consequences of such recklessness are clear from last week's terrible growth figures—or rather, economic contraction figures—which saw Britain's economy go into reverse in the last quarter of last year. Let us contrast that with Barack Obama in America. He is following the course that we in the Labour party advocate, resulting in growth of 3.5% in the same period.

The Government's wrong-headed approach to the economy is not only wrecking the recovery, as we warned it would, but doing untold damage to our vital public

services, such as Devon and Cornwall police, completely unnecessarily, and risks reversing the huge improvements that we have seen in recent years.

4.47 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I regret to say that I disagreed with almost every word that the right hon. Member for Exeter (Mr Bradshaw) said. Normally it is possible in these debates to agree about a great deal—about the value of the local force and so on—and I certainly agree with him in his assessment of the chief constable, but many of the points that he made were party political and he has not addressed what I accept are the considerable challenges that confront policing generally and his local force in a way that is sensible or helpful to the debate.

First, we have to deal with the deficit, but the right hon. Gentleman appears to be in denial about that. He should know that the shadow Chancellor of the Exchequer, when he was briefly shadow Home Secretary, accepted that the police would have to be cut. He said that he agreed with the independent inspectorate of constabulary that the police could make savings of some £1 billion a year. The previous shadow Chancellor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), when he was Home Secretary, refused, at the time of the general election, to guarantee police numbers. The Opposition have admitted that they would have made significant cuts in policing. We also know that they had £40 billion-worth of cuts, but they had not said how they would make them.

There is no disagreement about the fact that, in the current circumstances, the police would have to make savings, because there would be cuts to their budgets under Governments of either party. We might disagree about the scale of the cuts, but for the right hon. Gentleman to pretend to his local force that it will not have to make savings is wrong.

I simply do not accept—I shall return to this—that because forces have to make savings as part of their contribution to dealing with the deficit, it will necessarily impact on the efficiency and effectiveness of the service that they provide to the public. The right hon. Gentleman did not make the case that there would be a detrimental effect on the public; he simply asserted it and quoted one sergeant. That is not a responsible suggestion. All parties agree that forces will have to make savings. We need to debate how the forces can make savings, and where the priorities should lie.

Secondly, the right hon. Gentleman said that we have scrapped extra funding for Devon and Cornwall police. I understood him to mean that we have scrapped the rural policing fund.

Mr Bradshaw *indicated assent.*

Nick Herbert: The right hon. Gentleman did not note that we have maintained the neighbourhood policing fund, which will enable the continued funding of police community support officers for the next two years. It will then be for the locally elected police and crime commissioners to decide how to deploy those funds—I shall return to that later. The general direction of travel is to roll all those grants into one, so as to give greater discretion to chief officers about how they can spend the money, but it is not true to say that we scrapped extra funding simply because the grant has gone.

The rural policing fund has been consolidated into the rule 2 grant, which has been the case since 2006-07. The decision behind rolling the rule 2 grant, the crime fighting fund and the basic command unit fund into the main police grant from 2011-12 is, as I have argued, to give more freedom. The right hon. Gentleman should be aware that no force will lose funding as a result of rolling that grant into the main grant over the next two years.

Mr Bradshaw: Is the Minister saying that the chief constable of Devon and Cornwall is wrong on that point?

Nick Herbert: I am not sure, because I do not know exactly what he was quoting the chief constable as saying. However, I assure the right hon. Gentleman, and if necessary the chief constable, that the nominal loss of the rural policing fund will not mean that forces will lose funding in the next two years. It is simply that the grants have been rolled into one. The right hon. Gentleman has said that we have scrapped extra funding, and he has implied that we somehow do not care about rural areas, but I challenge him on that.

I meet chief constables regularly, and I have spoken to the chief constable of Devon and Cornwall. I recognise the significant challenge that he faces, and I realise that he has to make considerable savings. There will be a loss of police officers, which will not be easy for him, the force and the staff who will have to go. However, I am impressed with his commitment to do everything that he can do drive savings in areas that will ensure that service to the public is not reduced. Indeed, his declared ambition is to improve the service that the public receive and to improve the visibility of local officers, despite the savings that he has to make. That can be done by more effective deployment, by changing shift patterns and by improving productivity on the front line. He tells me that his ambition is for the number of police officers engaged in local policing to go up slightly. Chief constables, including in Devon and Cornwall, are rising to the challenge of reduced funding, recognise the situation that forces are in and are finding savings, in accordance with the view of the independent inspectorate of constabulary that those savings are available.

The right hon. Gentleman has said that the Home Secretary reached a poor deal with the Chancellor, but I disagree. The reduction in grant is lower than was indicated by the Chancellor at the time of the emergency Budget. It is a 20% loss of overall grant in real terms over four years, but that does not take account of the fact that the force meets about a third of its funding from local council tax payers through the precept. When that is taken into account, the loss in grant faced by the force is not 20% in real terms over four years. I accept that it is a significant sum, but the savings can be made.

I do not agree—in fact, I strongly disagree—with what the right hon. Gentleman said about police and crime commissioners. It was the previous Government's policy to introduce direct accountability into police authorities, and they proposed two sets of policies before abandoning them. He should know that is now

[Nick Herbert]

Opposition policy to have directly elected police chairs of police authorities, but the cost of holding those direct elections once every four years would be exactly the same as the cost of electing police and crime commissioners. His argument that the policy is unacceptable on cost grounds goes out of the window. That is now Opposition policy, which would cost more.

I want to make it clear that we are determined that police and crime commissioners will cost no more to run than police authorities, because there is no reason why they should do so. However, there will be a cost to holding elections for these new posts once every four years. It will cost £50 million once every four years, but that money has been found by the Chancellor and allocated to the Home Office. The money will not come out of individual force budgets, because it was separately negotiated by the Home Secretary and provided separately by the Chancellor. It is not true to say that money has been wasted on this policy. In any case, it is a bad argument against the introduction of democracy in any form to object to it on the ground of cost.

How many referendums did the Labour party propose in its manifesto? Did the party advance arguments of cost when it proposed referendums left, right and centre in its manifesto? No, it did not. Does the Labour party advance the argument that we should not hold a referendum on AV in May on the ground that the referendum will cost money? No, I do not think so. The cost will be minimal—it is a tiny fraction of the overall policing budget—and it will be incurred only once every four years.

The benefit will be far greater accountability, because an elected individual will represent people in the force area and hold the police to account. That will help to drive more efficient policing that is responsive to the local community. It is not surprising that members of police authorities are opposed to this policy, because the authorities will be abolished. I hardly expect their members to say that they would like to go, and many of them are campaigning to keep their positions.

A single elected individual will represent the whole of Devon and Cornwall, holding the police force there to account just as the chairman of the police authority covers the whole area now. Every local authority will be represented on the police and crime panel, including district councils, and they have not been represented before in the governance of policing. Local areas will continue to have a say.

Mr Bradshaw: I do not think that Conservative members of Devon and Cornwall police authority will take kindly to the Minister's suggestion that they oppose the idea only because they are worried about their own jobs. These are honourable people who have entered public service and who care about the quality of the police authority. The chairman of the authority, Mike Bull, is non-political and independent. He has no interest in defending the police authority, because his term of office will come to an end. Those are not my words—they are what he said about the costs and drawbacks of the Minister's proposals. If the Minister's proposals are so good and so popular, why is it that no member of his party in Devon and Cornwall supports them?

Nick Herbert: I was just making the point that I do not expect members of police authorities to be first in line in supporting a policy when their own positions are to be abolished. Their stance is hardly surprising. The general direction of travel towards democratic reform and having a greater democratic say in policing has been very popular in London, and it will be in the rest of the country.

I also reject the argument that the policy will somehow allow extremists to be elected. We know that the British National party polled a very low share of the vote nationally at the general election—I think that it was less than 2% of the national vote. It polled 15% in its best performance in a parliamentary constituency, which was in Barking where Nick Griffin stood. Given the size of the constituencies that we are talking about in relation to directly elected police and crime commissioners and the electoral system, it is almost inconceivable that such people will be elected. In fact, that argument is a complete red herring. The people must decide whom they wish to represent them, and it is right to give the people a say.

In conclusion, I am always willing to talk about the challenges confronting Devon and Cornwall police. I am absolutely committed to helping the force deliver efficient and effective policing and to ensuring that the officers will be there for the public who value and need them. I appreciate that the force, like other forces around the country, faces a considerable challenge. We have treated all forces equally, with each having to make an equal share of the cut. Chief constables know what the challenge is, and it is essential that they continue to drive savings in the back office, as the inspectorate says that they can, and drive savings in the middle office—

Mr Bradshaw: The Minister has referred to the inspectorate's report three times now. Will he confirm that the report that he is talking about from the inspectorate of constabulary stated that a "redesign" of the police system could

"at best...save 12% of central government funding"?

That is nowhere near the cuts that his Government are now imposing, which is an important distinction.

Nick Herbert: I will send the right hon. Gentleman a copy of the speech that I gave to the City Forum last week. I set out how the savings that the inspectorate identified—they amount to more than £1 billion a year, which is, as the right hon. Gentleman has said, equivalent to 12% of central Government funding—can be delivered. There were also other things that the inspectorate did not take into account. For instance, there are the savings that will be realised from the two-year pay freeze. Those savings will amount to some £350 million. Some £380 million of savings are expected to be realised from procuring IT and other equipment together. Those were not taken into account in the inspectorate's report.

There are also a number of other ways in which we can make savings. If police forces work together and redesign their businesses, we are confident that we can drive real savings in such a way that will improve the effectiveness and efficiency of policing and not affect the service that the public expect—front-line policing, officers in neighbourhoods and on the streets, satisfactory response times and the investigation that is needed if crimes are committed. We believe that the service can be improved even as it becomes leaner.

I do not underestimate the challenge that faces the whole force, but we are in this position because, to quote the former Chief Secretary to the Treasury in the previous Government, "There is no money." This Government were left with the biggest fiscal deficit in our peacetime history. It is our responsibility to deal with it and it is in the long-term interests of all our public services that we deal with it. We must ask the police to make a share of the savings. We know that they can do so, and we will do everything possible to support them and to continue to protect policing, including in Devon and Cornwall. I am absolutely committed to doing everything I can to secure that and to working with the chief constable.

Question put and agreed to

5.4 pm

Sitting adjourned.

Westminster Hall

Thursday 3 February 2011

[MR JOE BENTON *in the Chair*]

BACKBENCH BUSINESS

Parliamentary Reform

[Relevant documents: Early Day Motion 1372, Parliamentary Modernisation and Reform, and the First Report of the Procedure Committee, Ministerial Statements, HC 602.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Miss Chloe Smith.)*

2.30 pm

Mr Joe Benton (in the Chair): A lot of people have requested to speak and we want to allow as many as possible to do so. I appeal to hon. Members to be as brief as they can, and we will do our best to get everybody in.

Caroline Lucas (Brighton, Pavilion) (Green): It is a pleasure to hold this debate under your chairmanship, Mr Benton, and I thank you for your guidance on how matters should proceed. No doubt that was appreciated by all hon. Members in keeping within the spirit of the debate. I am also grateful to the Backbench Business Committee for providing the opportunity for an initial debate on parliamentary modernisation and reform. I look forward to hearing about the experiences of other new Members, and to learning from those who have been MPs for longer.

This debate is part of a call for more open and efficient politics. If we do not continue visibly to modernise the way in which we work, I worry that the public will—rightly—fail to be convinced that politics has changed for the better. It is more vital than ever for Parliament to ensure that its work is efficient, transparent and accountable. Following my first six months in this place, those are not the first three words that come to mind as I consider the way we conduct ourselves.

Our political process is still struggling to regain its legitimacy and credibility in the eyes of the public. Following the expenses scandal, 232 new MPs entered Parliament in 2010. It is now time to shake off the image—and in some cases the reality—of the "old boys club" and move Westminster into the 21st century. I pay tribute to the extensive work that has already been done. In particular, the work of the Wright Committee led to important changes in the management of the business of the House, not least with the establishment of the Backbench Business Committee, which has allowed this debate to take place.

There is still a long way to go. Following the expenses scandal, public suspicion about the behaviour of MPs has not gone away, and many people seriously ask what exactly it is that MPs do. How does Parliament work on a day-to-day basis? How can we better scrutinise legislation and serve our constituents with maximum efficacy and efficiency? In years gone by, MPs were accused of being too Westminster focused and of not working enough in their constituencies. Now some suggest that the pendulum has swung in the other direction, and that some MPs spend too much time in their constituencies, and not enough time properly scrutinising the legislation for which they are responsible. Now is a good time to take stock of that, and discuss what the balance should be between time spent on constituency casework and scrutiny of legislation.

Our constituents want us to have the time to know what we are voting on and to hold the Government to account, but they also want us to deal with constituency work and to know about their concerns. How much time a week should MPs spend in understanding what they are voting on in Parliament, and how much time should they spend in their constituency? We will all hold different views on that. It strikes me that it might be interesting to see an official job description for the role of MP. That is not something I have ever seen, but if it existed it would be interesting, and people would probably have different views about the different clauses in it.

We all have our own views about the way that the procedures in this place could be improved, and I look forward to hearing from others during the debate. I have published some of my own ideas in a report entitled, "The case for parliamentary reform", which I circulated to colleagues last November. Today, I make the same suggestion as in the report: the procedures and processes of the House of Commons are in urgent need of reform. That is hardly a new or novel observation. However, in a time of austerity when the rest of the country is urged to be more efficient with scarce resources, perhaps we should look at our own practices and at how efficient we are being with taxpayers' resources in using our time in Parliament.

Some of the reforms in my report build on previous proposals by the Wright Committee and the now disbanded Select Committee on the Modernisation of the House of Commons. A few of the new proposals draw on experiences from other legislatures, while others were—I admit—rejected by previous Parliaments at a different time. However, that is no reason why a new Parliament in new circumstances should not examine those proposals again.

Kevin Brennan (Cardiff West) (Lab): I have read the hon. Lady's paper; it contains some interesting and good proposals. Past reforms covered the hours in which the House sits, which were changed in 2001-02. One of the proposals in her paper is to change sitting hours on a Tuesday, but that is distinctly un-family friendly for people who want to do the school run in London. At times, some of the proposals have the feel of being not so much family as London friendly.

Caroline Lucas: The issue that the hon. Gentleman pinpoints is important. The perspective of family friendliness depends on where someone happens to sit, be that in London, the north or the south-west. However, the issue is broader than that; it is about what kind of symbol and signal we want this place to convey. I hope we want to give a signal that it is right for people to be able to work within set hours on a given day. People, including our staff, should be able to do that.

Kevin Brennan: I will not intervene again after this remark. However, on some occasions, it was extremely difficult for hon. Members to see their staff before Wednesday afternoon, because there was no thinking, preparation or meeting time when a Committee meeting

[Kevin Brennan]

started before 9 am on a Tuesday. My researcher wanted to work a 2 pm to 10 pm shift, so that she could do her job properly when those hours were introduced. The House changed its mind and went back to the previous hours a year later.

Caroline Lucas: The hon. Gentleman's intervention indicates that changing the sitting hours alone is not enough. We must change what we do within those hours. I am sure that it is not beyond the wit of this Parliament to arrange our sitting hours so that people can do enough preparation for their Committees, and so that officials have time to prepare the speaker for urgent questions, or whatever. Do we want this House to set an example by working relatively family-friendly hours or not? If we do, other things will fall into place.

Greg Mulholland (Leeds North West) (LD): I praise the hon. Lady for securing this debate, and for her reforming zeal. I agree with her on matters such as voting, and I think we should look at the shape of the Chamber. However, can we stop the myth of family-friendly hours? It is not a family-friendly job. When we talk about family-friendly hours, we are talking about not only MPs from London and the south-east, but those whose constituencies are outside London, but whose families live down here. I want to take my daughter to school, and that should be part of the debate. I want to cram things in as much as possible so that I can get home to my family.

Caroline Lucas: I do not think that family friendliness is a myth. The way this House works ought, where possible, to give some kind of signal about what we hope for and aspire to for those who work in the rest of the country. If we rearrange the way we work, it should be possible to sit on a Tuesday morning, for example, and get much of the work done. We would not then need to sit late into Tuesday night. If hon. Members want to have meetings at that time, that is up to them, but I do not see why that process should hold everybody else hostage.

Joan Ruddock (Lewisham, Deptford) (Lab): There is also the consideration of people's mental and physical health, and their general sense of well-being. Most of us function better during the reasonable hours of the day, such as those proposed by the hon. Lady, than we do very late at night. When I came to this House, 70% of sittings went till midnight or beyond. People died and were ill. We have to get a grip on the issue, and look at what will be best for most people's health. We must also accept that some people will make choices. They will take their children to school, but they could still be here by 10.30 am or 11.30 am.

Caroline Lucas: I thank the right hon. Lady for her intervention. It points to the fact that one of the things that we are battling is something of a macho culture. Many people have asked, "If you're not ready to sit till midnight and 1 o'clock in the morning, why are you doing the job?" That is not a good response.

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I apologise to the hon. Lady because I will not be here for the whole debate. As well as an interest in this issue, I have a long-standing commitment to and interest in affordable credit, which is being debated elsewhere. I have something of a reputation in the north for being macho, but on this occasion I agree almost wholeheartedly with the hon. Lady and want to encourage her, not necessarily to pin down specific hours, but to look to provide certainty and to avoid what my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock) described—by-elections every three months, which is what happened 24 years ago, when I came into the House.

If I may, I will encourage the hon. Lady not to get bogged down on hours, because other changes in this place could get us into at least the 20th, if not the 21st century, and allow us, with discretion, to vote more sensibly, provide certainty and, above all, demonstrate that we have understood the changes that have happened because of devolution to Scotland, Wales and Northern Ireland and our relationship with the European Parliament, all of which have taken shape since I came—

Mr Joe Benton (in the Chair): Order. I remind right hon. and hon. Members that interventions must be kept as terse as possible. An awful lot of Members want to speak this afternoon, and I want to be as fair as I can.

Caroline Lucas: I thank the right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) for his intervention, which was incredibly valuable. He rightly reminds me that the Procedure Committee is examining sitting hours. I am very glad about that. I hope that this debate can produce some agreement that at least there should be a mechanism whereby we can consider all these issues again. We may disagree about the details of family-friendly hours or exactly when different debates should happen, but I want to gauge how much interest there is for some types of change and, if there is some interest, how we can make progress.

Jo Swinson (East Dunbartonshire) (LD): I, too, apologise, because I will be going to a conference later. It is about political engagement, so it is very much on the same theme as the debate.

I want to pick up on the point about the Procedure Committee conducting an inquiry on the sitting hours and the turnout today. Does the hon. Lady agree that there is perhaps an argument for another vehicle for pursuing the cause of parliamentary reform? We do not want it to stall after the Wright Committee, and the Procedure Committee has limited time. In fact, although it is conducting an inquiry on sitting hours, it has not begun that yet, and we do not want the issue to be delayed and put on the back burner. Should the House not find some way to take it forward, given the clear level of interest in doing so?

Caroline Lucas: I thank the hon. Lady for her intervention, which was incredibly helpful.

Mr David Nuttall (Bury North) (Con): With great respect to the hon. Member for East Dunbartonshire (Jo Swinson), the Procedure Committee has in fact started its work and we had a very useful opening seminar in Portcullis House last week to take evidence from a variety of sources. The work is under way.

Caroline Lucas: I thank the hon. Gentleman for his intervention. Having been at the seminar, which was very useful, I completely agree with him that that work by the Procedure Committee has started. I want to make it clear that nothing that I say this afternoon is in any way critical of what the Procedure Committee is doing—it does fantastic work. As we know, just this week it published findings of an inquiry into the release of information by Ministers, with a set of recommendations with which I wholly concur. My point is that the amount of work that we are potentially talking about in terms of the reforms that we need cannot be tackled by the Procedure Committee alone, so I completely agree with the hon. Member for East Dunbartonshire (Jo Swinson) about considering a mechanism complementary to the Procedure Committee—something that would run alongside it but would have more capacity to deal with some of the wider issues that we are talking about.

Sir Peter Soulsby (Leicester South) (Lab): I congratulate the hon. Lady on securing the debate. May I take this opportunity to apologise for the absence of the Chairman of the Procedure Committee, the right hon. Member for East Yorkshire (Mr Knight)? As the hon. Lady may know, he had all the symptoms of flu yesterday afternoon. For his sake and for ours, he has wisely gone home, but he asked me to stand in for him. As she will have noted, other members of the Procedure Committee are present, and the right hon. Gentleman asked me to respond at the end of the debate on behalf of the Committee.

Caroline Lucas: I thank the hon. Gentleman for that clarification.

Let me say a little about some of the specific proposals that I would like us to consider, not in the expectation that all hon. Members will agree with them, but just to put some ideas out there about how things could be changed. One change could involve electronic voting. I know that there will be a sharp intake of breath as I say those words. I have looked back at previous times when we discussed the issue in the House, so I do not expect an easy ride on it, but this is a time when we could consider it again, not least because it has been estimated that £30,000 of salary could be saved every week because of the amount of time that MPs waste while waiting to cast votes. We are talking about an hour and a half or more extra because of the way we vote. To put it another way, if a vote takes about 15 minutes and if, in the previous Parliament, there were about 1,200 votes, that means that an MP with an 85% voting record would have spent 250 hours just queuing up to vote. Those are hours that taxpayers have paid for, and I argue that they could be better spent studying amendments, scrutinising Bills or helping constituents.

Dr Sarah Wollaston (Totnes) (Con): We also waste a great deal of time—certainly I do—running from the chilly outer reaches of Norman Shaw North and back again. That causes disruption to meetings with colleagues and constituents.

Caroline Lucas: As a fellow inhabitant of Norman Shaw North, I share the hon. Lady's pain. At least it gives us a bit of exercise.

Mr Peter Bone (Wellingborough) (Con): The hon. Lady is making a powerful speech, but is she really saying that we should press a button to vote? It is difficult enough at the moment to get people into the Division Lobby with any idea of what they are voting on. They would be pressing a button because the Whips had told them to, and parliamentary democracy would be destroyed.

Caroline Lucas: I am delighted that the hon. Gentleman raised that point because I have another proposal, which I will come to in a moment, that against each amendment there should be an explanatory statement that explains what it is about. That would mean that far more hon. Members had a better idea of what they were voting on. In terms of electronic voting devices, I am suggesting not that such voting should be done in the isolation of one's office, but that there should be a particular time when we vote each day. That would deal with the point made by the hon. Member for Totnes (Dr Wollaston) about not knowing when to start running over from Norman Shaw North. We would have a particular time when we would vote. It would be done by hon. Members either sitting in the Chamber or, because there is not room for everyone, in the Lobbies. People would still get the chance to lobby Ministers, but there would be a fixed time in the day when we could vote electronically. I will explain why we would have a better idea of what we were voting on shortly. From my experience in the European Parliament, I can tell hon. Members that six votes take a minute and a half with electronic voting. Six votes in this place take at least an hour and a half. I find it hard to justify that.

Joseph Johnson (Orpington) (Con): Parliamentary democracy has not been destroyed in a large number of other parliamentary democracies where electronic voting works very well. The Indian democracy, for example, is one of the most vibrant in the world. In the US, people manage to vote in that way in both Houses very successfully. There is plenty of evidence to show that it can work well.

Caroline Lucas: I thank the hon. Gentleman for making that point. The Scottish Parliament, the Welsh Assembly, the French Assembly and the US Congress all vote using elements of electronic voting, and I see no reason why we should not as well.

Mr Mark Williams (Ceredigion) (LD): Does the hon. Lady agree that one of the good practices in the Welsh Assembly is having a block voting period at the end of the day? Rather than the constant disruption of meetings and all the rest of it, we could designate a part of the day specifically for voting.

Caroline Lucas: I absolutely agree. It would allow us to organise our business and our timetables much more effectively. I do not know what happened in days gone by. Perhaps MPs did not have so many meetings with outside bodies but I know that it is embarrassing, in the middle of a meeting with quite important people, suddenly to have to say, "I'm really sorry, I'm going to have to go. I have no idea how long I will be. I hope to get back to you some time soon." That is not a good way to do business.

Ann Coffey (Stockport) (Lab): The hon. Lady asked what happened in days gone by. Perhaps I can try to answer that. One of the proposals of the Select Committee on Modernisation was to introduce programme motions.

[Ann Coffey]

Those were introduced following a recommendation of that Committee. The idea of such motions was to give more certainty to MPs about when votes would take place, so that they could better organise their day.

Caroline Lucas *rose—*

Mr Joe Benton (in the Chair): Order. Before the hon. Lady continues, may I point out that she is about 18 minutes into her speech, but that so far there have been at least 10 interventions. It is entirely a matter for the Chamber, but I suggest that to enable the hon. Lady to make her points we minimise interventions.

Caroline Lucas: It is probably out of order for me to reflect upon that, Mr Benton, but I would argue that one way to improve our debates would be to have more interventions and fewer set pieces. I hope that I am not being disrespectful.

I want to make one last point about electronic voting. If we make the process of casting votes less time-consuming, MPs could vote on more aspects of Bills. As a result, the public would have a clearer record on which to hold us to account. A system that inherently discourages voting on the specifics of Bills because it takes too long to vote is a problem. It also requires less thought from those charged with passing legislation through the House. Speeding up voting would enable us to be better legislators by giving better scrutiny.

Greg Mulholland: I share the hon. Lady's desire to speed up voting; I was using electronic voting when a member of Leeds city council. To make it work in the House, do we not need to consider the reality of the Chamber? In most Parliaments that have electronic voting, Members have an assigned desk with a voting button, and many Parliaments use laptops, but we could not possibly do those things in the present Chamber.

Caroline Lucas: I thank the hon. Gentleman for his intervention. I passingly considered how radical it might be to propose that we do not sit in the Chamber, but decided that I should probably wait for a few more years before making such a proposal.

I discussed the matter with a company that specialises in the manufacture of electronic voting devices. It said that we could make them operable in the Chamber and in the Lobbies on either side—there is not enough space for all Members to be in the Chamber, as has been pointed out—but they could be made to work only within that area, so there would be no danger of people going to the pub with one in their pocket, with all the disrepute that would involve. There are ways of getting around the problem. I would be the first to admit that it would be much easier if each of us had our own place in the Chamber, but I believe that it is still possible to get around the problem.

Mr Andrew Turner (Isle of Wight) (Con): Will the hon. Lady explain why it would be better to have people sitting in specific places?

Caroline Lucas: One reason is that it would make electronic voting an awful lot easier. Another is that it would make the Chamber more orderly than the sort of crush that we have when everybody rushes in. I know that it looks good on TV screens, but if Members have to stand they may not be able to follow the debate as closely; they certainly find it harder to take part in the debate if they are crushed at the back of the Chamber, far from the Speaker's Chair. However, that is rather theoretical, because we cannot get away from the Chamber that we have.

I am aware that there was a consultation paper on voting methods back in 1998. I admit that at the time, 64% of MPs preferred to stay with the present system, but one reason given for that was that they did not want to lose the opportunity to speak informally with Ministers in the Lobbies. My proposal for a set time for Members to go to the Lobbies to use their electronic voting devices would still enable them to lobby Ministers.

Joseph Johnson: That advantage belongs only to Members of the governing party; it is not shared by MPs from Opposition parties. That argument cannot be used to justify a continuation of the Lobby voting system.

Caroline Lucas: The Government are by definition the majority. It struck me that, when trying to get measures passed, I could perhaps be kinder to the majority in addressing their concerns. I agree with the hon. Gentleman; I have not nobbled many Ministers during my time here.

I return to the subject of having votes held over to a certain time of day. The Modernisation Committee noted:

> "Members seem interested in the possibility of holding divisions over, so that all votes could be taken after one another at a convenient time, instead of holding divisions immediately at the end of each debate."

That was back in 1998, but despite the fact that a majority were interested, little has changed. Although 2004 saw the introduction of the so-called deferred Divisions, when some votes that would otherwise have taken place at the end of the day's sitting would be conducted in writing on Wednesday morning and early afternoon, the option is seldom used.

I acknowledge that there will be occasions—the votes on tuition fees for example, or the vote on the Iraq war—when it will be appropriate to vote straight away, because of the significance of the vote and the public's interest in it. However, the fact that there are certain exceptions to such proposals does not undermine the direction of the proposals themselves. I still believe that they are worth considering.

I shall talk briefly about abstentions. I got myself into trouble when talking about abstentions in the past, with people telling me, "Well, if you can't make up your mind you shouldn't be in Parliament." Abstention does not mean that we cannot make up our minds. It does not mean that we do not know. Abstentions are often the result of being presented with two opposing ideas, but being asked to vote on them as one amendment. One may agree with one part of an amendment but not the other, yet there is no way in this Parliament of taking amendments in parts. I note in passing that in the European Parliament, which uses 20 languages, it is possible to take an amendment in parts, but we cannot do that here. We might then think to ourselves, "What shall I do? I know, I'll abstain."

It is difficult to abstain in this place. In 1998, a majority of MPs indicated strong or general support for an option to record abstentions, but 12 years later nothing has happened. Richard Taylor, the former Independent MP for Wyre Forest and the late David Taylor, the independent-minded former Labour MP for North West Leicestershire, were both known for voting yes and no. Of course, the media made much fun of them, making it seem that they were not able to make up their minds.

Fiona Mactaggart (Slough) (Lab): A point of order was raised in the Chamber today about that precise point. Members were reminded that the Speaker has ruled that it is unparliamentary to vote both yes and no.

Caroline Lucas: I thank the hon. Lady for that intervention. What she says reiterates the fact that we need a formal way of registering an abstention instead of not voting; if we do not vote, those helpful websites that record how often we are in the Chamber will make it seem that we were not there.

Mr Mark Williams: I plead guilty; I was one of the four who did precisely that—to go through both Lobbies. We were unable to support a Labour motion referring to the record of the previous Labour Government and we were concerned about the Government's policy, but there was no third way. Sitting on our hands could have been construed as our being absent from the House. The case needed to be made that we were there, but that we were concerned about both the Opposition's line and the Government's. For a third party that has sometimes not been in government, that is most important.

Caroline Lucas: I completely agree with the hon. Gentleman.

Mr Douglas Carswell (Clacton) (Con): Although the hours that MPs might keep are important, and although the technical means by which they may vote is certainly important, does the hon. Lady not agree that when it comes to restoring purpose to Parliament, to getting this House off its knees and ensuring that the legislature can once more hold the Executive to account, there are bigger and more profound matters than those that she has mentioned so far?

Caroline Lucas: I completely agree with the hon. Gentleman that there are more fundamental matters to do with the power of the Executive. I am starting modestly, but shall come to those in due course. There are bigger issues, but after six months here, and with a degree of humility, I was trying to see whether there are ways in which the efficiency of this place could be improved. The hon. Gentleman is absolutely right to say that there are bigger issues, and I know that another hon. Member will talk about those shortly.

I return to some of the smaller points. Because they are smaller, it ought to mean that they are not resisted so much. We ought to be able to speed things up and get some of this stuff done. We would then have the time and space to get our teeth into the bigger, more fundamental issues. One of the small things that we could do is to include an explanation of the design or purpose of an amendment. It is particularly difficult for people outside Parliament, and sometimes for Members themselves, if they are not following the legislation in minute detail, to understand the implications of an amendment that states "clause 1, page 1, line 5, leave out subsection (1)". It takes a lot of time to unpack what it really means; we need the Bill and the amendment, and we need to know some of the background. A simple explanation of two or three sentences would substantially increase transparency. MPs themselves would also have a better idea of what they are voting on, which might not please the Whips very much, but it would increase democracy and accountability.

It is a modest proposal and one that has been made before, but providing explanatory notes would, none the less, make a significant difference. It would give more power to Back Benchers and take a little more from the Whips, and enable constituents to follow better the proceedings of the House.

Zac Goldsmith (Richmond Park) (Con): I echo what the hon. Lady says about explanatory notes. More often than not, Members have no idea what they are voting on. If the first 20 MPs leaving the Lobby later on today were asked what they had just voted on, I suspect that 19 of them at best would have no idea at all. Nevertheless, the big issue is not lack of knowledge about what we are voting on but, as my hon. Friend the Member for Clacton (Mr Carswell) has pointed out, the fact that Parliament itself absolutely fails to hold the Government to account. I hope that we will cover that issue later on in the debate.

Caroline Lucas: I completely agree, and I look forward to having another debate on exactly that subject. Let me raise a few more issues before other Members speak. Obviously, this is a well-subscribed debate.

I want to say a few words about the talking out of private Members' Bills. The Bills, which are introduced by MPs who are not Ministers, are relegated to Fridays, the day when attendance at Westminster drops as most of us go back to our constituencies. Why not move private Members' Bills to a mid-week slot so that they are better attended? We could then consider the implications of making Fridays a formal constituency day. I do not accept that it is beyond our wits to find adequate time for private Members' Bills earlier in the week without displacing other legislation. Hon. Members will be well aware that our current system allows Back Benchers deliberately to waste the time allotted for debate on a private Member's Bill in order to delay it. The vote takes place when there are likely to be far fewer Members present to support it as people leave to get to far-flung parts of the country.

The talking out of private Members' Bills is an insult to other Members who want seriously to debate the Bill, to the Speaker and, most important, to the electorate who do not want to pay to run a debating chamber that is being mocked by its participants. There should be explicit rules that prevent the practice of talking out a Bill. The Wright Committee stated that "merely procedural devices" should not be able to obstruct private Members' Bills, but again, we have not seen much change in that respect. That Committee also referred to the popular proposition that a maximum of three hours should be given for the Second Reading debate on any private Member's Bill, which should be in cumulative and successive sittings, after which the question would be put to the

[Caroline Lucas]

Chamber on whether the Bill should receive Second Reading. In a sense, that would render pointless the act of filibustering. I shall take the fact that there was no intervention on that point as agreement, and I shall proceed with great speed.

Joan Ruddock: I support the hon. Lady. One of the easy things that we could do is make the Tuesday sitting compare with the Wednesday sitting, so that we start the day three hours earlier. We could then accommodate private Members' Bills in the evening, which would give Members the choice on whether to stay. All House facilities would be kept open. That would be an ideal way. If Ministers, and I have been one, need to defeat a Bill, they must defeat it on the issues and its merits and not by procedural means.

Caroline Lucas: I completely agree.

Mr David Hanson (Delyn) (Lab): I support the hon. Lady. Such a reform would also help with the House's family-friendly policies. I make no complaint about that. I have not seen my seven-year-old son since Sunday night, and I will not see him until I get back at 9 o'clock tonight. I do not always want to stay on Fridays, not only because of constituency duties but because it is the only day of the week when I can take my son to school. My constituency is 225 miles away. The opportunity for a deferred vote on a private Member's Bill on a mid-week day or consideration on another day would be ideal for both purposes.

Chris Bryant (Rhondda) (Lab): The hon. Lady has unanimous support.

Caroline Lucas: I shall proceed while I am on a roll. Another issue, albeit small, is the adoption of more accessible language, which would increase the transparency of this place and give some indication that we want people to understand what we are doing. All too often it looks as though we are deliberately mystifying what we do here to create the illusion that it is even more special than it is. There is a strong case for a systematic overhaul of the language to make it more self-explanatory. If the language of the Commons was made easier to understand, more people, especially younger people, would be more attracted to politics. MPs should be able to use each other's names. We should drop phrases that, to the public, look at best like arcane jargon but at worst make Parliament seem inaccessible, distant and remote. Why should MPs not refer to each other in debate as Mrs Smith or John Jones? That would make proceedings more intelligible without reducing the necessary formality and without changing the practice of speaking through the Chair. A methodical overhaul of the language of the procedures and offices of the House based on the principle that it should be self-explanatory and easily understandable for the public should not be beyond something on which we can all agree.

In conclusion, we will all have many ideas about how we can improve the way in which this House works. The early-day motion to which this debate has been tagged is suggesting not specific changes but the idea that there should be some mechanism whereby a range of different ideas can be discussed and taken forward. I recognise that the Procedure Committee is doing excellent work, but it is already stressed in terms of its capacity to take on some of the very big issues that it is dealing with, such as sitting hours.

I hope that I have demonstrated not just my own wish list but also that other Members have ideas that need to be considered. I am passionate about the subject; Parliament has to become more effective so that it can better serve the nation. It cannot continue to be seen to waste taxpayers' money and MPs' time on antique processes that are not fit for purpose. Even where there is disagreement on the details, I hope that hon. Members will accept that my underlying concern is that much more can be done so that MPs are more efficient and more easily understood. Given that, we have a duty to be more effective about the way in which we work.

During the past couple of years, the public have heard a lot of warm words about a new politics. In the wake of the expenses scandal, hon. Members will recall the words of the right hon. Member for Witney (Mr Cameron) before he became Prime Minister. He said that

> "this political crisis shows that big change is required. We do need a new politics in this country. We do need sweeping reform."

Last year, the Deputy Prime Minister told the House:

> "Every Member of this House was elected knowing that this Parliament must be unlike any other—that we have a unique duty to restore the trust in our political system that has been tested to its limits in recent times."—[*Official Report*, 5 July 2010; Vol. 513, c. 23.]

In 2009, we heard similar things from senior Labour figures. The right hon. Member for Doncaster North (Edward Miliband), now Leader of the Opposition, said:

> "Out of a set of terrible issues, this is a moment for big reform and government must take advantage of it. We need a more pluralistic political system where power is shared in different ways."

The former shadow Chancellor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), was right when he said with characteristic colour:

> "The current public mood of anger and disquiet... demands a response. We need to overhaul the engine, not just clean the upholstery."

I hope that my points this afternoon are not simply seen as "cleaning the upholstery." The upholstery needs cleaning; we can make the way in which we work more efficient, but there are other more fundamental issues about how we hold the power of the Executive to account. I know that several other hon. Members will raise those issues as well, and I look forward to the debate.

3.7 pm

Sir Alan Haselhurst (Saffron Walden) (Con): I thank the hon. Member for Brighton, Pavilion (Caroline Lucas) for sparking this debate, which is obviously of great interest to colleagues judging by the attendance.

We should be careful about supposing that we are completely beneath public contempt. The excellent paper produced by the Hansard Society mentions public perception. It states that

> "60% believe that Parliament is a worthwhile institution and 75% that a strong Parliament is good for democracy."

What the public do not like are MPs who fiddle their expenses, and half the public at any one time dislike the decisions taken by Parliament, which may be for political and personal reasons. We will not easily get over those difficulties, and I do not think that the prescription being offered by the hon. Lady necessarily meets the real needs of Parliament today, if we are to improve ourselves as a legislature controlling the Executive.

To contribute to a debate on reform and not endorse every single point made by the initiator of the debate risks being branded a reactionary. I realise that if I allude for one moment to the experience that I have had in this House, I shall equally be condemned as an old fogey. I am taking a risk by even speaking in this debate.

Tessa Munt (Wells) (LD): I do not think that anyone thinks that, bearing in mind that the right hon. Gentleman has accepted that we should trial iPads in Committee. I understand that he is an enthusiast on that front, which is absolutely marvellous.

Sir Alan Haselhurst: My hon. Friend is in danger of stealing my thunder, because I was about to say that I regard myself as a reformer. If hon. Members look at the evidence that I have given to the Modernisation Committee over a period of years, they will appreciate that I have fizzed with ideas as to how we might change our procedures and practices. However, I remain a conservative with a small "c" as far as our institutions are concerned. Change should not be rushed—if it is, we tend to recant very quickly, as in the case of the Tuesday sitting hours, when we went one way before going back the other. We have introduced topical debates, but we do not think that they are a particularly great idea, and we have gone for topical questions, which we think are a good idea. We should think things through before we rush into them. The stability of our Parliament, in contrast to many others, is testament to the way in which we have gone about things.

Kate Green (Stretford and Urmston) (Lab): Does the right hon. Gentleman agree that our absolute purpose, as the hon. Member for Brighton, Pavilion (Caroline Lucas) has said, is to hold the Executive to account and to debate matters fully and properly, but that the way in which business is scheduled in the House militates against that? In that respect, I apologise for not being able to stay for the end of the debate, because two other debates, in which I am also keen to participate, are happening simultaneously. We have to look at allocating time, so that we can debate issues properly, because that does not happen now.

Sir Alan Haselhurst: I am going to be slightly meaner in my disposition towards interventions; otherwise I shall never get through my argument. The hon. Lady's point is absolutely relevant to something that I will say later in response to the proposals by the hon. Member for Brighton, Pavilion.

The House has renewed itself, and the fact that we are in this Chamber is one symbol of that. The fact that we are here at the behest of a Backbench Business Committee is further testament to the fact that we are capable of doing things differently. At first, this Chamber was greeted with suspicion, but it is now readily embraced and is ripe for further exploitation—a point that is also made in the Hansard Society paper. Why not use this Chamber for uncontentious Second Reading debates? Why not repeat the experiment with cross-cutting question sessions, which was cast aside too lightly? Why not table questions to the person representing the House of Commons Commission or the Church Commissioners in this Chamber, rather than in the main Chamber? We might also bring into the sequence the Chair of the Finance and Services Committee or the Chair of the Administration Committee—I mention the last of those modestly. The fact is that such things should be open to more questioning by hon. Members.

Chris Bryant: Will the right hon. Gentleman give way?

Sir Alan Haselhurst: I want to press on, because many hon. Members want to speak.

A lot of change has taken place in my time. Radio and TV have come in, and broadcasters have progressively achieved more flexible access. All-night sittings have almost been expunged, and sittings beyond 10 pm are now rare. The programming of legislation is now the norm. Departmental Select Committees were only set up in 1981. Notice for questions is now shorter, and topical questions have been introduced. Deferred Divisions have been set up. New technology is being cautiously embraced. Time limits have been introduced on speeches, and we could go further with that in Committee, on Report and during discussion of private Members' Bills. The Backbench Business Committee has been established. Elections are now rife, giving more power to Back Benchers. The Standing Orders are continually being changed—the ink is hardly dry on the paper, such has been the pace of reform.

The Hansard Society paper has a great many good ideas in it, particularly regarding the legislative process. I do not want to go into that in detail, but I commend the paper as a subject for further discussion. Let me be up-front, however, about where I caution against change. This Parliament is a debating chamber—that is what distinguishes it from many other Parliaments—and our performance is of high quality. We should keep away from the idea of written speeches, which kill debate.

I would keep the indirect form of address. Having watched the Parliament and, worse, the state Parliaments in action in Australia, I have seen abuse to which the direct form of address gives rise, which is shocking. Our system acts as a filter, ensuring that debates are conducted in a civilised manner. The fact is that we also forget the names of colleagues across the Floor half the time, so referring to them as "the hon. Member" is a good cover.

The House should not press for the list of speakers in a debate to be published. Having spent 13 years handling such situations, I know that hon. Members are not entirely reliable in their relationships with the Chair. The Chair tries to make up for that by being considerate and juggling lists to enable hon. Members to go off and do things that suddenly arise. Under the list proposal, however, the hon. Member who did not turn up—unfortunately that happens quite a lot—would then find that the local press were on to them to ask why they had not been present for a debate. The proposal is not, therefore, quite the obvious solution it might be thought to be. Furthermore, someone who thinks that they

[Sir Alan Haselhurst]

know when they will speak in a debate might absent themselves for rather more of the time, so I am not sure that the proposal is entirely forward-looking.

I am very suspicious about electronic voting at a single time of day. There is the question of amendments being contingent one on another. If we want a process that increasingly divorces debate from decision, that is the way to go, but there are times when we have to dispose of one amendment before we can logically go on to the next, and that has not been sufficiently thought through.

Caroline Lucas: We have discussed that extensively with the Clerks, who have pointed out that it is perfectly possible to have a mechanism whereby the Chair could indicate which votes are contingent on other amendments. It is not beyond our wit to work out a system whereby we can vote electronically and in sequence, with the votes the way they have been put down.

Sir Alan Haselhurst: I take that point, but the hon. Lady possibly overestimates the skills of Members when they are suddenly asked to look at complicated things. For all the explanations that might be available, it is sometimes difficult for us to get our ideas straight, particularly when we have to vote instantly, rather than having a couple of minutes to think carefully about an issue.

I am not against private Members' Bills staying on Fridays. The fact that a proposal is a private Member's Bill does not immediately invest it with merit, and some pretty ordinary ones come up. It is interesting that the hon. Member for Brighton, Pavilion has suggested a mid-week slot, when the rest of her argument about the timing of sittings goes against spending time on such things in the evenings after a full day's debate, which seems inconsistent. I would keep private Members' Bills on Fridays. One argument is that if hon. Members cannot get 100 colleagues into the House to support them, their proposal may not be worth supporting, but I will not go down that line. I will go halfway towards what the hon. Lady has said by suggesting that private Members' Bills should be on Fridays, but that there should be a specific three-hour slot for debate, with a deferred Division, at another time in the week. That would be a useful way of looking at the issue.

On the sitting pattern, it is important that we get the balance right between our duties in our constituencies and our duties in Westminster. The balance has moved too far, to the point that we are overly obsessed with what happens in our constituencies while we are away in Westminster.

We also have to decide whether we want predictability or an element of spontaneity as our guideline. If this place is to keep up with topical issues, we may need to adjust the Order Paper to take account of that. At the moment, the only person, beyond the Executive, who has the power to do that is the Speaker. Our Parliament treats the Speaker with greater puritanism than any other Parliament in the world. We say that someone becomes independent from the moment they become the Speaker and that they never go back to party political association. That being the case, we are telling every Member, even if they are the only Member representing a party or independent minority group, that they can trust the Speaker to give them a fair deal, because the Speaker has no axe to grind. If we accept that, do we want the Speaker to grant urgent questions or even Standing Order No. 24 emergency debates, which will simply shatter the business for the following day? Alternatively, are we content, as has happened in my experience, to have two Government statements and an urgent question take an absolutely huge chunk out of the time, when an important debate would otherwise have been scheduled for that day? We must think about that and get the compromise right.

I declare an interest as Chair of the Administration Committee, because in a sense that shows me another side of the practice of the House, which is keeping the turnstiles turning and the cash registers ringing. I have also been a distant Member of the House as well, having represented, for a period of years, the north Manchester seat of Middleton and Prestwich, so when I discuss family-friendly arrangements, I understand them from two different angles. We should not only discuss arrangements that are family-friendly for hon. Members who live in London, as the hon. Member for Leeds North West (Greg Mulholland) has mentioned in an intervention. If we think only from that point of view, what we decide will be self-fulfilling, and we shall put more pressure on hon. Members to live in London and visit their constituencies, and I am not sure whether the Selection Committee would be entirely enamoured by our doing that.

A Member who finishes at 6pm will not get to Manchester in time to tuck up the children in bed, and they will have to get up jolly early to be here by 9 am the following morning—or 8 am to put in a prayer slip to reserve a seat for that day. Mention has been made of a parent in London wanting to take the children to school, who might have difficulty getting here by that early hour. We should also think of our staff. Members should not forget the amount of preparatory work that must be done from the lowliest level up to the Clerks, to ensure that our business can start at the hour when it does. We may be forcing staff to get up terribly early—4 am or 4.30 am—to get here to do the jobs they must do for us to function. We should take their welfare into account, too.

What is friendly in terms of making this Parliament operate more effectively? The Chamber is the heart of our system and at the moment other activities partly overlap with the sittings of the Chamber. If we go to a 9 am to 6 pm arrangement, as the hon. Member for Brighton, Pavilion has proposed, there will be a complete overlap for every other activity in the House, including Select Committees, Public Bill Committees and all-party groups. If hon. Members cast an eye over the "All Party Whip" they will see the wide range of all-party groups—scarcely a condition of the human body is not covered by one. Those are legitimate activities, and there are deep interests at stake for small groups of Members, who must be accommodated. There are also lobby events, where hon. Members want to hear from particular groups. Ad hoc meetings crop up, outside visits must be undertaken and there must be contact time with Departments of State, councils and other bodies to which Members are making representations on behalf of their constituents. How will all that fit in satisfactorily in human and logistical terms? Will all the rooms be

available at the right time? It is difficult enough now to get attendance at Select Committees, but if they are to be effective and their reports are to be valid, attendance must be constant.

The competition for hon. Members' time is intense, and fitting everything into a shorter period of time will, I suggest, be very difficult. It would create a risk that the Chamber would become even more sparsely attended than it sometimes is today. Alternatively Members will multi-task in the Chamber. That is part of the justification for having BlackBerrys and other devices in the Chamber. Members of the public are beginning to dislike that as much as the absence of Members from the Chamber, and Mr Speaker gets letters on the subject. The right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), who left his place earlier, has also received representations from his constituents about that.

Mr Carswell: Is my right hon. Friend suggesting that many of the people who follow me on Twitter and who follow blogs written in the Chamber take exception to what I am doing? Is not the practice a good thing, which allows me to connect with people who do not sit and watch TV?

Sir Alan Haselhurst: I am sorry to disappoint my hon. Friend, but the public are beginning to notice and believe that Members should not have their heads down looking at those devices while they are meant to be listening to a debate. That is their opinion—it may be wrong but it is their opinion and they do not like it. [HON. MEMBERS: "He's twittering."] My hon. Friend may find that there is a ruling yet from the Chair dealing with Twitter as distinct from other things. *[Interruption.]* It is difficult to silence the hon. Member for Rhondda (Chris Bryant).

A point that has not been discussed so far is the fact that we make this place available for members of the public to tour in the mornings. Many hon. Members like the opportunity for their constituents to be here—schools in particular—and Parliament is conducting a big outreach programme. That would become much more difficult under the regime that the hon. Member for Brighton, Pavilion has put forward.

Jo Swinson: On tourists, does the right hon. Gentleman accept that it is difficult for most members of the public to visit Parliament on weekdays? It would be helpful if Parliament were open at weekends for people to come and have a look round.

Sir Alan Haselhurst: I am very interested in the question of access, but do not want to go too far into it now. I am happy to receive representations in my capacity as Chair of the Administration Committee. The House is, of course, open on a Saturday, but I am not sure whether it is entirely suitable for school parties to come then. I just mentioned that point as another thing to be factored into the equation.

We have changed over the years. The pace may not be fast enough for some, but we can speed up the process of examining all the new ideas. I do not, however, believe that we need another Committee. We have had the experience of the Modernisation Committee and, frankly, to have it running side by side with the Procedure Committee was unsatisfactory. The Procedure Committee should be invested with the relevant responsibilities and, if necessary, it should be geed up to work faster, if the House believes that the issues are important ones and need to be examined. Perhaps the right expression—which would be appreciated by the Chair of the Procedure Committee, my right hon. Friend the Member for East Yorkshire (Mr Knight), as a motoring man—is that we need to change gear and move a little faster. That would help to satisfy those who feel that some things have been ignored for too long.

The real challenge is how we are to make the House more effective. I think that the content of the Hansard Society paper that has been circulated is perhaps more relevant than what the hon. Member for Brighton, Pavilion has said, because concentrating on the cutting or rearrangement of hours is not the main priority or the best route towards a more effective Parliament.

3.27 pm

Natascha Engel (North East Derbyshire) (Lab): It is a great pleasure to serve under your chairmanship, Mr Benton. I am not going to read out a speech; I have just scribbled some notes and cannot read what I have written. I thank the hon. Member for Brighton, Pavilion (Caroline Lucas) for bringing us this debate. The number of hon. Members here is testament to how important it is. She is keeping the fires of reform burning. I do not think that she needs to worry that we are at the end of reform; this is the beginning of a continuing process.

It is nice to see so many new Members in this Chamber today, because it is important to get the views and ideas of people who have come from outside, and who are much more normal than those of us who have been here a while. We must not forget that being here for even one Parliament has already made some of us accept as normal things that clearly are not, to the outside world.

As the Chair of the Backbench Business Committee I want to say that its very existence has made a real difference in terms of reforming Parliament and the difference between then and now. Two debates are being held in the Chamber that are massively oversubscribed. All the debates that we have timetabled so far in the Chamber have had speech limits. Today the limit is five minutes per speaker. I shall try to speak for 10 minutes or less; as has been said, what cannot be said in 10 minutes is not worth saying. It is worth noting that when Back Benchers take responsibility for their own time they use it wisely and well, and take an interest in what is being debated. That is something for the Government to consider. They should recognise that, through the Backbench Business Committee and Select Committees, Back Benchers are doing what we were sent here for—to hold the Executive to account better.

The hon. Member for Brighton, Pavilion has single-handedly contributed to raising the status and profile of Westminster Hall. It is such a shame that we have this Chamber and underuse it, as the right hon. Member for Saffron Walden (Sir Alan Haselhurst) said. Along with the Procedure Committee, the Backbench Business Committee will be considering the use of Westminster Hall, and providing another forum for debate that is more interesting than just having an Adjournment debate with one Member and a Minister responding. This debate really shows what we can do with Westminster Hall.

Chris Bryant: I wonder whether my hon. Friend would consider an idea that was suggested earlier, which is having Second Reading debates of private Members' Bills in Westminster Hall with the vote subsequently, at a fixed time, as a deferred Division in the main Chamber.

Natascha Engel: Absolutely. To widen that point, I want to see Westminster Hall being used as a more experimental Chamber. As the right hon. Member for Saffron Walden said, some of the experiments that were conducted in the past worked and some did not. That is what experiments are all about, to see whether or not they work, and unless we actually have a go at them we will not find out. Westminster Hall seems to be exactly the type of forum where we can conduct those experiments. I would have ministerial statements and any number of things taking place in Westminster Hall that currently we may or may not do in the main Chamber.

I want to make a very broad point before I make my one suggestion for parliamentary reform. That broad point is about being very clear what we as parliamentarians do and to make that our starting point for reform. I was with the hon. Member for Brighton, Pavilion when we were giving evidence to the Procedure Committee on reforming sitting hours, in a pre-inquiry seminar, and one of the points that emerged is that every MP is different. There are different parties, but MPs are also different as individuals. They have different lives, different backgrounds and different experiences that they bring to Parliament. No one way of doing things will suit everybody, but we have come quite far from there being a clear idea of what we do in Parliament. The increasing focus that we have given our constituency work, which is something that has been happening over a long period, not only undermines the work that used to be done by local councillors and local authorities—work that they should be doing—but there has been a direct correlation between the amount of time that we spend doing very local constituency casework and the amount of time that we do not spend scrutinising legislation in Parliament and holding the Executive to account. I wonder whether the Hansard Society would like to carry out some proper research into that issue. It is a very important case that we need to make.

Mr James Gray (North Wiltshire) (Con): The hon. Lady is making an extremely good point. Does she agree that there is a direct correlation between the increasing power of the Executive, which we have seen over the last 20 years, and the increasing quantity of time spent by Back Benchers doing stuff that should be done by somebody else in their constituencies? What we want is people here in Parliament, working hard, holding the Government to account and getting a grip of the Executive.

Natascha Engel: Yes. I would not like to say that we should never go back to our constituencies, but the hon. Gentleman makes an absolutely fair point.

Fiona Mactaggart: One thing that the hon. Member for Brighton, Pavilion (Caroline Lucas) did not speak about—unsurprisingly, because she is a one-Member party in this place—was the way that the Whips operate. One of the things that I found when I first entered Parliament was that the infantilising impact of Whips on Members of Parliament was quite damaging and it shows in some of the issues that my hon. Friend is raising. Every Member of Parliament is different. Every Member of Parliament brings different experience and represents a different type of constituency. We need to find mechanisms whereby those differences, within the context of party agreement, can effectively be aired so that we get the best legislation that we are capable of making.

Natascha Engel: I agree. Sometimes, however, we are in slight danger of overplaying the idea that Whips infantilise Members and sometimes we should just be big enough to stand up to them, if we have an issue.

Mr Bone *rose—*

Natascha Engel: As the hon. Gentleman has frequently done.

Mr Bone: I congratulate the hon. Lady on making a very powerful speech. I want to bring to the attention of the House my private Member's Bill abolishing the Whips Office. I have tabled it for a Wednesday night—7 September 2011. All things come if we wait.

Natascha Engel: I look forward to taking part in that debate. In fact, that brings me to the end of my general points. There is one thing that I consider would be a really good piece of parliamentary reform and it relates to Select Committees. Select Committees are the thing that we as a Parliament do really well. They are possibly the only forum where Members of Parliament, after they are elected, learn, gain in expertise and develop. It is an absolute privilege for MPs to be members of Select Committees. Being a member of a Select Committee is not open to everyone. In fact, it is only open to a minority of MPs. We have taken away the ability of Whips alone to appoint people to Select Committees and we now have elections across the House, and that has worked really well.

I do not see why the Select Committee principle cannot go much wider. Initially, I thought that every MP should be allowed to be a member of a Sub-Committee of a Select Committee that looks in greater detail at individual issues that may be cross-departmental, and that we should also have departmental co-ordinating Committees. However, I think that we should go even further and invite Members of the House of Lords to take part in that process.

We massively neglect the House of Lords. Regardless of whether we believe that Members of the Lords should be elected, or even if we do not believe that they should be there at all, there are people in the Lords who are specifically there for their expertise; indeed, it is their only reason for being in the Lords. Sometimes, we have people who are very expert in the House of Commons, but in the House of Lords there is a group of people who are expert in a certain subject. I would love to see Select Committee membership widened to include absolutely everybody.

For example, instead of a Select Committee on Energy and Climate Change, or on Environment, Food and Rural Affairs, we should have a Select Committee that examines the issue of waste management and incineration. In almost every single constituency, the issue of where an incinerator is placed is a massive one. It involves planning laws, waste management and the local authority; all these different aspects of the issue need resolving.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Is that not the role of the all-party groups? Although I respect their lordships in the other place and there are a couple of Joint Committees, having the House of Commons shadowing Departments is the right way forward.

Natascha Engel: I disagree and I will develop my point very briefly, because I have already spoken for my 10 minutes. I would like to see smaller Select Committees going out into the country and taking evidence from people rather than just sitting in this place.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): I am grateful to my hon. Friend for giving way, especially as I know that she wants to speed up and finish her speech. Does she agree that there is much to be learned from the example of the Scottish Parliament, particularly from its Public Petitions Committee, which can refer particular items that have been brought by members of the public to other Committees of the Parliament for them to examine in more detail? Perhaps that is something that could be looked at.

Natascha Engel: Absolutely. I would throw all these ideas into the pot. I simply repeat that Select Committees are the thing that works best in this place and I would love to see their role expanded, not only because they work so well and because they develop the expertise of individual MPs but because they could become a forum for us to be, as the Speaker always says, "ambassadors for Parliament", by going out and engaging with people on individual issues that are not party political, just as Select Committees are not party political. We could go out there and really engage with individuals.

Ann Coffey: May I make a quick suggestion? One way that Select Committees could engage Back-Bench Members more would be to accept oral evidence from us more often.

Natascha Engel: Absolutely. The Backbench Business Committee is a perfect case in point. We receive oral evidence from Members every week. My hon. Friend is absolutely right to make that suggestion. In that context, I would also love to see the work of the Procedure Committee develop now that it has taken on so much extra work, especially after the Modernisation Committee was effectively merged with it. What the Procedure Committee does, in terms of parliamentary reform, is interesting to most people, not only to those in this room but across the rest of the House. I would love to see that kind of work much more widely debated and extended, and for people to be given the opportunity to participate, especially the people we represent in this place. That is my one little suggestion: looking at widening the role of Select Committees within parliamentary reform.

I really hope that this is not the end, but rather just the beginning of developing ideas on how we can reform this place to make it work better, and on how we, as individual Members, can much better represent the people out there who send us here.

3.40 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I join the many speakers who have congratulated the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing this debate. Having read her paper, I thought that I would come here struggling to agree with any of it, but I stand here convinced by much of what has been said, and that has shaped what I am about to say.

I want to home in on two distinctions. There is a developing theme here about what we do as opposed to how we do it, and that is reflected in the other distinction, which is between public attitude to what we do and public interest in how we do it. Those two things can get confused, and sometimes the political and public reaction to circumstances further blurs the issue.

I shall dwell, to begin with, on what we do. What lies at the heart of this is something that other speakers have mentioned: credibility—our credibility, Parliament's credibility and Members' credibility in the eyes of the wider public, which goes back a lot further, I suggest, than *The Daily Telegraph* expenses scandal last year. Looking back—some would argue over generations—there has been a gradual decay in the wider public's confidence and trust in the parliamentary system and, indeed, in parliamentarians. However, that cannot necessarily be pinned—as some people have suggested—on the style in which we do things in this House. I suggest that it is more often than not all about what we do, and about whether what we do is relevant to voters—rather than to MPs—and relevant in the 21st century rather than in any other context. Perhaps the political reaction, by all parties, to one or two of the dramas of the past few months—namely, expenses—simply serves to illustrate that.

As a mere candidate, I read about how the parties reacted to the expenses scandal and was depressed by the fact that we seem to get obsessed with the cost of politics rather than its value, with thinking that the cure to all this is simply to introduce a new system, to start talking about Lords reform or about new voting mechanisms. I am not absolutely sure whether that was a mistake, or simply an attempt to distract people from what was going on, but with such measures, for example voting reform—enthusiastically supported by some but not by others—AV referendums or, as in my case, the referendum on further powers for the Welsh Assembly, the public reaction is pretty lukewarm at best, whichever side of the fence people sit on. They are shaking their heads and thinking, "This is not what we were concerned about. We were concerned about something much more fundamental—relevance, rather than self-indulgent activity by politicians."

If there was a refrain on the part of voters during the election campaign, I would suggest—although I might be alone in this—that it was far more often about good government than cheap government, and that lies at the heart of this distinction. Good government is relevant government—relevant to voters rather than to MPs. We have been, and continue to be, punished for what is occasionally portrayed as self-indulgent activity. We are punished in two ways: either by a really angry reaction, which is manifest in several ways on a day-to-day basis; or, worse still, by people saying, "A plague on all your houses. We are simply turning our backs on the parliamentary system and on politicians, because we don't think you represent our interests any more." That reduced confidence in our systems is a much more serious problem perhaps, than some of the issues about the way in which we do things.

[Simon Hart]

I argue, therefore, that how we do things is less important than what we do, but that does not mean that that is not important at all. When I stood up, I mentioned to the hon. Lady—may I call you Caroline, perhaps, after today?—that I sympathise with the suggestion of amendment explanations. It is a great idea. When we put forward amendments from the Political and Constitutional Reform Committee, they came with a paragraph that explained to people on that very Committee what we were seeking to achieve. That was a great move.

The point about pre-legislative scrutiny is crucial. We had an argument with the Executive at the beginning of this Session because we had not had sufficient time to afford pre-legislative scrutiny to one or two of the constitutional reform Bills, and the Government's response was, "We can't give the 12-week minimum pre-legislative scrutiny all the time because we'd never get anything done." I do not buy that—nor, I suspect, do many other people—because all that happens is that we do nothing for 12 weeks, and we have seen with the Parliamentary Voting System and Constituencies Bill that what the Government gained in the first 12 weeks by not affording pre-legislative scrutiny has caught up with them now in the form of the blockage in the House of Lords. I therefore accept, although I did not think that I would, the points being made. Committee stage, which the right hon. Member for Oldham West and Royton (Mr Meacher) mentioned in an e-mail earlier today, provides a bit of certainty and additional scrutiny, and we should recommend it.

I have two further points, which, one might argue, are even less important than the ones I have made so far: language and tradition. In my distant outpost in west Wales, of all the complaints that I might have received about parliamentarians and Parliament in general, tradition and language have not been mentioned often, if at all. In fact, I think that we have to tread carefully when it comes to destroying, or dismantling, some of the theatre of this building and the system that we use. I disagree with the notion that standing in a Lobby for 15 minutes every so often is time entirely wasted or that tradition is always to be interpreted as a dirty word, and I urge a bit of caution. Of course modernisation is the direction of travel that we should be going in, but let us take it at a steady pace, because it does not lie at the heart of the problems that we seriously need to address.

I say all that after an informative visit to the Scottish Parliament with our Select Committee only last week. I also have a little experience—I would not put it any stronger than that—of how business is conducted in the Welsh Assembly. I attended, with other hon. Members, First Minister's questions in the Scottish Parliament and, with no disrespect to our hosts, it was arguably a rather soulless affair. There was lots of button pressing and lots of individual desks and laptops with people situated behind them. There was no interaction, theatre or energy. Even though the contributions were powerful and relevant, there was not the degree of theatre that I think, up until this Wednesday at least, we enjoy here.

Dr Wollaston: Would my hon. Friend accept the word "pantomime" instead of "theatre"?

Simon Hart: On the basis that the First Minister was sitting at the front and everybody was behind him, I suppose that there was a connection with that word. However, I felt that this week's Prime Minister's questions was a bit like going to the Oval to watch the cricket, only to find that it had been rained off and having to sit under an umbrella waiting for something to happen.

Chris Bryant: Will the hon. Gentleman give way?

Simon Hart: I would be delighted to give way, as always.

3.48 pm

Sitting suspended for a Division in the House.

4.05 pm

On resuming—

Simon Hart: All that activity for the Division probably reinforces the argument that the hon. Member for Brighton, Pavilion was making earlier. I was coming to a conclusion and waiting with great excitement for an intervention by the hon. Member for Rhondda (Chris Bryant); I hope he will come back to make it before too long.

I was about to praise one aspect of the devolved Parliaments. I suspect that I came across as a little unconvinced by the vibrancy of their proceedings, but if there is something with which to credit the Welsh Assembly in particular, it is the fact that increased accessibility for members of the Welsh public—constituents who are served by both an Assembly Member and a Westminster Member—has led to increased confidence, which we might reflect on. Many of their procedural matters may mirror what we do, but the feeling that someone can get to a Minister more quickly and discuss their problems at greater length has led people to believe, often reluctantly—they would have taken a very different view a few years ago—that it is a good thing and a lesson that we could work on here.

The word "balance" has been mentioned by many Members this afternoon. It is not just the balance of our work and family life, although that is absolutely vital. I am one of the Members who will leave here at 7 or 8 o'clock tonight and will be lucky to get back to west Wales before midnight, and I shall probably not see my children until tomorrow afternoon. This is not a sob story, because I knew that was the lifestyle I was entering when I came here—my eyes were wide open; but I accept that we can improve some areas. Although it may just be a rumour, it is a pretty depressing statistic that 40% of the married Members of Parliament who entered the House in 2005 have separated from their partners. That is 10% higher than the national average, so we need to reflect on that as we develop—slowly and sensibly, I hope—the proposals that have been made this afternoon.

I came to the debate expecting not to be convinced, but I have been semi-convinced by some of the arguments made by the hon. Member for Brighton, Pavilion. She makes some sensible proposals that do not compromise systems that have been honed over generations and that serve the nation well. Nor do they compromise some of the important theatre, drama, energy and passion of this place, which I have not seen reflected at the same level in our devolved Parliaments. One or two frivolous suggestions have been made, and although we should take them seriously, I do not think we should advance them with any great enthusiasm.

In conclusion, let us not lose sight of the fact that the relevance of what we do—its relevance to 21st-century Britain, our constituents and all corners of the earth—is of far greater significance than the means by which we so often do it in this building.

4.9 pm

Mr Mike Weir (Angus) (SNP): I am pleased to speak under your chairmanship this afternoon, Mr Benton. I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing this important debate.

There are two aspects to the debate: how Parliament is perceived, and the procedures of Parliament. Parliament is, frankly, often its own worst enemy in terms of how it is perceived. I draw hon. Members' attention to the fiasco over the resignation of Gerry Adams from the House. Leaving aside the undoubted entertainment value of the UK Government and an Irish republican arguing over an ancient Crown title so that he can resign from a Parliament in which he has never taken his seat, does it not illustrate the fact that it is absolute nonsense that the only way a Member can resign is to be appointed to a non-existent title? Incidentally, it was reported that the Chancellor conferred the title on Mr Adams without him applying for it or agreeing to accept it. Is it really the constitutional case that the Chancellor can appoint someone to an office that disqualifies them from sitting in the House without them specifically applying for it? If that is the case, perhaps some potential Tory rebels should consider their position.

However, there are much more important issues to consider in terms of how we carry out our day-to-day procedures. The hon. Member for Brighton, Pavilion has produced a paper, which I read with great interest, and I agree with a great deal of it. However, there are one or two things I do not agree with. The whole business of family-friendly hours is a red herring. I come from north-east Scotland, and either I am here or I am there. I cannot be here and go home at night. I would like to see how the Independent Parliamentary Standards Authority dealt with the travel expenses that would arise if I tried to do so. That simply cannot happen. As the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart) rightly put it, when we were elected to the House, we accepted that we would spend much of our lives here. It does not matter to people from the north of Scotland whether we finish at 6 or 10; we are not going home. From my point of view, if we could squeeze the parliamentary week into two or three days and spend more time in the constituency, it would be perfect.

That brings me to the point that there are two visions of Parliament. I suspect that some Members see Parliament as being about dealing with the big issues and holding Government to account, as has been noted. However, another, competing, issue is that many of our constituents want us to deal with problems on their behalf. We all talk about how we must be more accessible and make Parliament more accessible. That is not done by being unavailable to our constituents because we are here discussing the big issues of the day. We have to deal with the issues that affect everyday life. It is true that many of the people who come to our constituency offices come to us with problems that are not strictly to do with Parliament. However, many of us are then faced with the question of what to do. We can try to say, "You need to go and see somebody else," but that often only results in the person going away dissatisfied and saying, "Well, they wouldn't do anything for me." We all make such decisions daily.

I have put my pen through great screeds of this speech to try not to take up too much time. A lot has been said about electronic voting. There is a huge case for electronic voting for the reasons given by the hon. Member for Brighton, Pavilion, the greatest of which is being able to abstain. As a member of a smaller party, I often look at motions tabled by the Government and the official Opposition and say, "A plague on both your houses." I would love to be able to abstain and be recorded as abstaining, but often we simply do not vote. That is an issue and a lot of hon. Members will feel that way.

I would go further than the hon. Lady. She made the case—possibly to try to engender support—that we should have electronic voting in the Chamber or the Lobby. I disagree. There is no reason why, in the 21st century, when we are wirelessly connected—or not connected, in many cases—to smart phones, iPads and everything else we cannot design a system that is secure enough to allow, although perhaps not on every occasion, people to vote remotely if it is appropriate. I say that because towards the end of last year when we had the dreadful snow, I could not get to London for two whole weeks. I was a member of the Postal Services Bill Committee at the time and missed several sittings—to my great frustration because I had several amendments tabled for debate. I also missed votes in the House. In those circumstances, I do not understand why remote voting cannot be allowed.

We may all kid ourselves that every hon. Member sits and listens to the debate and makes a decision on how to vote, but we all know it is not true. We choose which way to vote for various reasons. Remote voting should be allowed on some occasions, although not in every instance. We have moved a long way from the days when seriously ill people were carried through the Lobby in the middle of the night, but we still queue up for 15 minutes to vote. There is much to be gained from electronic voting. I agree with the point that the design of our Chamber makes it difficult to have voting within the Chamber. It is much easier in, for example, the Scottish Parliament, which is a much smaller Parliament of 129. For a Parliament of 650, the same lay-out is impossible. As I said, in the age of wireless connection, I see no reason why we cannot find a way in which electronic voting can be done. Let us move towards the 20th century, if not the 21st.

The second point I want to consider relates to petitions and making Parliament more relevant to our constituents and giving them a bigger say in what we are doing. Again, the issue has been considered by the House in previous modernisations. Originally, the system was that a Member had his or her 30 seconds in the sun presenting a petition in the Chamber, and they then placed the petition in the bag behind the Speaker's Chair. Sometime later, they would get a brief response from the Department and that was that. As part of the previous modernisation, petitions are now reported to a Select Committee. However, the process never seems to go any further than that and the petition is simply noted by the Select Committee.

[Mr Mike Weir]

If we want to make Parliament more accessible to constituents, we need to consider a much greater forum to allow genuine concerns to be more fully canvassed by Parliament. For example, in my constituency, there is a threat to close driving test centres. I have raised that matter and debated it in this Chamber with the relevant Minister. However, in my constituency, the campaign has gathered a huge number of signatures on a paper petition and there has been a Facebook petition. It will reach the point when people ask, "What can we do with the petition?" The answer is that they can send it to the Driving Standards Agency to be filed there, they can send it to the Minister, probably to be filed in the Department, or they can give it to me to present to Parliament and it will presumably be reported to the Select Committee on Transport. However, again, no action is likely. We desperately need to look at ways that such petitions can be considered in more detail.

In closing down the No. 10 petition website, the Government announced that they will be introducing a new system whereby, if I understand it correctly, the most popular petitions will be converted into private Members' Bills—although that opens up the difficulty of how those Bills are dealt with. That is an interesting idea but, if it has been reported correctly, the numbers needed mean that only the most controversial matters or the most organised national campaigns will ever get to that stage. I suggest that we consider a petition system that is more akin to the one that operates in the Scottish Parliament. In Scotland, anyone can present a petition to the Scottish Parliament. It only requires one signature and it can be submitted in any language. The petition must, of course, relate to a devolved issue and be relevant on a national level. It is important to note that it does not preclude a local issue where there may be a national angle. To take the example of the driving test centres in my constituency, the issue could relate to how the DSA is dealing with driving tests in rural areas.

In Scotland, a local health issue has been raised on the basis it has been alleged that health boards are not following national guidelines. The Scottish Parliament has set up a Public Petitions Committee that consists of nine MSPs to consider every admissible petition lodged—obviously not all petitions are admissible. That Committee writes to the bodies affected, whether it be the Scottish Government, health boards, police forces, local authorities or whatever, with questions to seek information on the matters raised. It asks the petitioner to comment on them.

Margaret Curran (Glasgow East) (Lab): If I am called to speak, I will make reference to my experience in the Scottish Parliament. May I draw to the attention of the House the effectiveness of the Public Petitions Committee in the Scottish Parliament, and not just in the processing and engagement that it represents? It has led to significant changes in law, most recently on the health service and access to blood. People had been prohibited from getting blood through the NHS and significant laws were changed. That was initiated by the experience of a constituent, through the Public Petitions Committee, so it is effective in changing the law.

Mr Weir: I was just coming to that point. The hon. Lady is correct. The whole point about the petitions procedure in the Scottish Parliament is that by raising a petition, the public can instigate action in the Parliament. The petition is not just something that is filed away as of interest to somebody; the Committee considers how it should proceed. It may hold a hearing at which the petitioners can put their points in person, or through representatives, and it may call, and has often called, Ministers to give evidence on the issue. The Committee does not have the power to impose a solution, but as the hon. Lady said, it can recommend to other Committees and to the Government that action be taken.

Constituents and members of the public who have a valid point have an engagement with the Parliament to get their point across directly. They can be assisted by their MSPs, but their MSPs cannot deliver the petition; it has to done by members of the public. It is a way of making sure that there is engagement with the citizen. That could also be a way for this Parliament to have that engagement. That need not be an exact example; this Parliament deals with a much larger population, and there is a much larger number of MPs and constituencies, but it is not beyond our wit to look at ways to have that engagement with the public. Everything does not need to be channelled through a Member of Parliament. The public will respect this Parliament much more if they can have direct access, and there are ways to do that.

A point was raised about explaining the meaning of an amendment. It is already possible to do that in a Committee, so MPs need to look at their own actions sometimes, but I ask Members who have sat on Public Bill Committees, how often is it actually done? It is rare now, in my experience. It was introduced in the previous Parliament as a trial, at the same time as laptops, if I remember correctly. MPs do not seem to be using the procedure, so we have to look at that. If we are serious about modernisation, and if these issues are raised, let us use them and show that we are interested in pushing forward with modernisation; otherwise, debates such as this are utterly pointless.

Parliament has, in recent years, through the expenses scandal and other things, lost a lot of its reputation. It may seem strange for me to make such points, as someone who wishes to get out of this Parliament, but while we are here it is important that we engage with the public and find ways to enable them to see us as relevant to their lives. If we fail to do that, it will increase the democratic deficit and will prove a grave danger to our future.

Mr Joe Benton (in the Chair): Before I call the next speaker, may I point out that the proceedings will now finish at 5.45 pm? I propose to start the wind-ups at 5.5 pm and there are still a lot of Members indicating that they wish to speak so I again appeal for brevity.

4.24 pm

Mr David Nuttall (Bury North) (Con): Thank you, Mr Benton. I will take careful note of what you have said and restrict my comments by not repeating many of the points that other Members have raised. However, it would be remiss of me not to start by congratulating the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing the debate.

I repeat the fact that I am a member of the Procedure Committee, and I have listened carefully all afternoon to the points everyone has made, and will continue to do so for the rest of the debate. I do so with an open mind. It is important that matters of parliamentary reform be considered from the basis of how we can best do our job most effectively. What is the best way that we can conduct our affairs for the benefit of our constituents?

One major problem is not so much the quantity of legislation that Parliament produces, but its quality. I am obliged to the Hansard Society for drawing my attention to the increasing volume of legislation that has been passed by Parliament over the years:

"In 1950 Parliament passed 3,690 pages of legislation. By 1970 this had grown to 5,990 pages and by 1990 to 8,940. But just over 15 years later the number of pages had almost doubled to 16,031."

Looking just at criminal offences, it states:

"All criminal offences passed between 1351 & 1988"—

a period of 637 years—

"are contained in one volume of Halsbury's Statutes of Criminal Law encompassing 1,382 pages of law. The offences for the 19 years between 1989 and 2008 are contained in three volumes encompassing 3,746 pages!"

There is plenty of evidence that whatever else Parliament may be criticised for, it certainly cannot be criticised for lack of productivity. Whether we are producing legislation of high quality is another matter. One idea, if I could throw my six penn'orth into the reform idea pot, is for more pre-legislative scrutiny and the improvement of the legislative process. That would have a virtuous effect. The biggest problem, which I think sums up the whole debate, is how best to use our time. To solve the problem of defective legislation would in itself be an enormous boon, because we would then spend less time sorting out the problems created by poor, inadequate and inefficient legislation. I hope that is one area that we will be able to look at in the course of proceedings.

Finally, I caution Members that before we go down any road of reform we look at the procedures that are already available to us and ensure that we are already using them to full capacity. For example, the hon. Member for North East Derbyshire (Natascha Engel), who I congratulate on her tremendous work as the Chair of the Backbench Business Committee, made mention of the work of Committees. I entirely agree that Committees are a useful tool for the House, but I wonder whether we are using them as effectively as we could. As evidence, I would cite the one power that all Committees have, except a very few dealing with private Bills, which is the power, almost never used, to take evidence on oath under the Parliamentary Witnesses Oaths Act 1871. It is a rare power, but it already exists and may be something that we could use.

Chris Bryant: The hon. Gentleman is right. In fact, I would make it standard for all Committees to take evidence on oath. It is extraordinary that often Committees want somebody to give evidence but never go through the process of forcing them to attend, which is still technically possible. For example, Rupert Murdoch is one of the most significant players in British media and in British society, yet he has never appeared before a Select Committee of this House, nor has any member of the Murdoch family. That is extraordinary.

Mr Nuttall: I thank the hon. Gentleman for that intervention. As my vicar reminds us every Sunday morning, Parliament is the "high court" of Parliament. Perhaps through our Select Committees we could take such matters more seriously and ensure that witnesses do attend when they are asked to appear to give evidence before Committees. At this point, I thank the first three speakers in this debate, all of whom appeared before the Procedure Committee last week to help in our deliberations on the reform of sitting hours.

I am conscious of the fact that many have spoken but that many still wish to speak, so I conclude with a final comment from the Hansard Society's report, which is worth our bearing in mind. It said that new measures may destabilise existing procedures and create inconsistencies and unintended consequences that undermine the coherence and rationality of the process as a whole. I caution all Members that we must be wary of the unintended consequences of any reform that we propose and upon which we embark.

4.31 pm

Mr Michael Meacher (Oldham West and Royton) (Lab): I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing this important debate on parliamentary reform. The subject cries out for discussion and debate. She focused largely on the admittedly archaic procedures of this place, but I want to concentrate on power and accountability. I shall try to be brief.

At the nadir of the expenses scandal, it was finally agreed by all three political parties that the rock-bottom reputation of Parliament could best be salvaged by a new, forceful, democratic role for Parliament and an effective scrutinising and decision-making Chamber for the nation's business. The Wright Committee—the Committee on Reform of the House of Commons—was set up. It was given little time but it reached its conclusions in rapid order and produced an excellent, well-argued report which ushered in two important changes, as we all know.

The first was the Backbench Business Committee, which has been successful under the chairmanship of my hon. Friend the Member for North East Derbyshire (Natascha Engel). It wrested some limited control of the parliamentary agenda from the Executive, which had monopolised it for decades, although—I say this in the presence of the Leader of the House, whom we are glad to see here—we look to the conclusion of that process by the setting up of a House business committee at an early stage. The other important change was to secure the election, as opposed to the selection by Whips, of the Chairs of Select Committees who, as we all know, are by far the most effective mechanism for holding Ministers to account. Both innovations have worked extremely well.

However, valuable as those reforms are, they scarcely begin to redress the balance of power that has subordinated Parliament over the past several decades. Its power has drained away through the increasing concentration of power in No. 10. It continually seeps away to Brussels as the European Union mandate spreads ever wider, and the judiciary increasingly encroaches on the parliamentary prerogative, presumably prompted by the judges' view that if Parliament cannot hold the Executive to account, they will.

[Mr Michael Meacher]

A parliamentary revival needs to be tackled at several levels. At one level, we drastically have to overhaul our existing procedures. I want to give a few examples. Bills in Committee—the stage at which they should be seriously scrutinised—can often emerge after dozens if not hundreds of hours of scrutiny with minimal changes. I have even known them to emerge with no change. Why? Because a Whip-chosen majority of the governing party can simply block amendments. We should look at the Scottish system in which Bills no longer go to a Standing Committee but to the appropriate Select Committee, which has a track record of expertise. Of course, that would require considerable strengthening of Select Committees in terms of resources, the number of Sub-Committees and also time, but it would be a serious and much better alternative.

Report is the one stage at which Members of this House can make important changes to Bills through votes of the whole House. One abuse is that the Government can all too easily prevent later amendments. Of course, amendments are often not wanted by Governments—that is hardly surprising—and they can ensure that they are not even reached by talking out earlier amendments. One recent example of that, of course, is the European Union Bill, but there are many others.

Another problem, which has been mentioned, is not the fault of either the Whips or the Government but of Members. How many Members vote at the suggestion of their Whips as they approach the lobby without actually knowing what they are voting on? It is a serious abuse, and one of the reasons it is problematic is that most people cannot understand what the amendment is actually about. I have had that experience many times when looking at the amendment paper. A proposal, which I believe has the support of the Government, is that there should be a short explanation—two or three lines, for example—of the purpose and nature of every amendment on Report so that people can more easily make a judgment.

Chris Bryant: Will my right hon. Friend give way?

Mr Meacher: I realise that many people wish to speak, but I shall give way very briefly.

Chris Bryant: When a knife or a guillotine come in, the Government Whips are happy for amendments to be talked out because they know that the rules of the House specify that the Government amendment will still be taken. If we were to abolish that rule, some of their power over time would disappear.

Mr Meacher: That is a fair point, and I entirely agree. I do not have time to suggest ways of dealing with all the problems, which are extensive. This House is meant to be a serious, scrutinising body, but it simply is not so at present.

The third issue that I wish to raise briefly is about the public, who are involved in this—their lives are controlled by the Bills that we put through. There should be a pre-legislative stage for Bills at which outside experts can be brought in to give detailed evidence, and where members of the public and, indeed—I agree with my hon. Friend the Member for Stockport (Ann Coffey)—Members of Parliament have an opportunity to make representations.

That is all about existing procedures. I want to say something very quickly about a further range of reforms whereby Parliament could and should assert its authority as the elected voice of the people. On matters of overriding national importance—the obvious example of the past decade was the Iraq war; it took 15 months before this House even had a debate on it—Parliament should have the right to set up its own commissions of inquiry and not simply depend on the Executive or No. 10 to do so, because, of course, it is usually their actions that are the subject of the investigation. That is not a particularly novel suggestion or innovative proposal—it is exactly what our Victorian predecessors did quite regularly.

Secondly, when committees of inquiry are set up by the Prime Minister, which will probably remain the normal practice, the House should be empowered to scrutinise the terms of reference and approve the appointment of the chair and members of those bodies, because the choice of personnel and the terms of reference can significantly skew the final report in a particular direction. Many of us know that all too well.

Thirdly, on patronage, Select Committees should routinely carry out confirmation hearings. Again, there is nothing original about that—that is exactly what happens and has happened for years in the United States Congress. That should be done, obviously, for persons who are appointed to leading quango posts but also, perhaps, for some ministerial appointments. People from outside who have never been elected to Parliament are brought in by Prime Ministers and suddenly appointed to important posts. Parliament has a right to call them for examination, and to vote to approve their appointment at the end.

Fourthly, there are often obscure and complex legal issues in many of these matters. Parliament should be served by its own legal counsel if it is to be an effective check on Executive power.

I will make three further quick points. One is the control of expenditure, since the annual Government expenditure of £650 billion is a key exercise of power. Parliament should establish a framework for the contemporaneous monitoring and cross-examination of major expenditure programmes—not just the ex post facto examination by the Public Accounts Committee, though that is valuable and I would want to keep it. It should be aided by a cadre of expert external advisers. Whether that is done through Select Committees—which might be the best way—or through a new specialist estimates Committee, is for discussion. The allocation of huge quantities of public money and the whole question of value for money are of legitimate interest to Parliament, at the time that the decisions are still in the making.

Secondly, professional lobbyists are a very serious issue. They have now hugely increased their influence over the political process. Parliament should require that a public register is kept, including the scope of their activities, their source of funding and their meeting with Ministers. If there is to be the transparency that democracy demands, that murky area needs to be cleaned up.

Thirdly, several hon. Members mentioned petitions. I agree that where a very high—and the bar should be high—threshold number of electors have signed a petition,

there is a case for saying that it should be debated and voted on in the House. We need a new constitutional settlement if we are to get off our knees and be an effective check on Executive power. Many of those proposals, as well as others, need to be looked at seriously.

4.42 pm

Martin Vickers (Cleethorpes) (Con): I join in the congratulations to the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing the debate. I offer no special insight, merely the random thoughts of a relative newcomer to the House.

We must be mindful of the balance between effective scrutiny of Government and allowing Government to achieve their business. I was elected not because the people of Cleethorpes were sure that I would be a good and effective scrutineer of what the Government are doing. They voted for a Conservative Government—or perhaps against a Labour Government. There has to be an effective balance.

After the hon. Member for Brighton, Pavilion had first circulated her thoughts on this matter, I recall saying to her when we were corralled on a tube train that I never thought that I would be a moderniser. In fact, my first few months have edged me towards the obvious need to act. Before being here, I served for 15 years as a constituency agent, and I am mindful of how the confidence of the public in this place was dented by the revelations of the expenses scandal. Some, of course, have done things they ought not to have done. However, the public perceived us all as guilty. We have moved some way to recreate the required confidence.

The question has been put about how to use our time more effectively. I know that I am treading on dangerous ground, but I rather support the hon. Lady and those who have spoken in favour of electronic voting. The argument goes that voting is one of the few opportunities to rub shoulders with Ministers and bend their ear about one subject or another. I draw a parallel with our constituents who come up to us in the supermarket and say, "I am glad I have seen you. Can I draw your attention to the street light that has gone out?" One hopes desperately that once home one remembers and does something about it. When Cabinet Ministers are harangued by half a dozen people in the space of 10 minutes through the Lobby, I am sure that they are extremely conscientious and do their best, but I suspect that they do not always remember what has happened.

My hon. Friend the Member for Wellingborough (Mr Bone) spoke about people not knowing what they are voting for on every occasion. I am sure that "on every occasion" we would all plead guilty to some extent. He mentioned the Whips, but I think electronic voting would weaken the role of the Whips. If one was not being pushed and edged into a particular Lobby—if one was voting by merely pushing a button—one might feel a little freer from their pressures.

When I came to the debate, I thought I would insist that an hon. Member should be physically present to vote. However, the hon. Member for Angus (Mr Weir), who was stranded for a couple of weeks, made a valid point. If he has followed debates word for word—as I am sure he would on the Parliament channel—and has read his briefings and knows the subject, there is an argument for saying that he should vote. He would actually be helping the representation of his constituents if he did so. Again, I thought I would say that new Members would be slightly more objective in their thoughts, as people can become a little institutionalised in this place. However, having heard the right hon. Member for Oldham West and Royton (Mr Meacher) and my right hon. Friend the Member for Saffron Walden (Sir Alan Haselhurst), who have been here for many years, it is clear that serious thought has been given and change has been made over time. A balance with the thoughts of newcomers—even aged ones such as myself—will perhaps help.

Regarding the debate about private Members' Bills, we waste an awful amount of time—let us be honest—on progressing those Bills which, we all know from the outset, are going nowhere. A system of debate and pre-legislative discussion of those measures would be helpful.

Despite the fact that I have followed politics and parliamentary procedure closely for many years, I thought that Third Reading debates were more serious than they are. Serious is the wrong word: they are somewhat brief. The point has been made that when a Bill comes back with considerable amendment perhaps the Third Reading debate should be longer and more detailed, to give more Members an opportunity to take part.

I am a great supporter of the moves suggested by my hon. Friend the Member for Richmond Park (Zac Goldsmith), who was here earlier, such as increasing the use of referendums and so on. Perhaps there could be a way for the public to trigger referendums, by having a debate in this place and allowing them to take part, before the trigger was pulled and a referendum seriously considered.

I will finish there. The other points that I wanted to make about confirmation hearings and so on have already been eloquently made. Time is short and I shall conclude.

4.49 pm

Margaret Curran (Glasgow East) (Lab): I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing the debate. I was not sure about her constituency name, and I will refer to my lack of recall in such matters.

I hesitated before taking part in the debate, because we, as politicians, must always be wary of talking about ourselves, our experience and our institutions, when we do not perhaps connect them properly with our representative role. The hon. Lady has put the matter in a proper context, because this is about effective governance. As has been said by my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett), there have been many shifts in the governance of Britain over the past 10 to 15 years, such as devolution. It is therefore appropriate that we consider how effectively we operate.

Many hon. Members have mentioned how pertinent the expenses scandal is, and how parliamentarians must rise to the challenge. If we look at what is happening in the middle east, and at how far people are prepared to go to fight for democracy, how we operate our democracy becomes significant.

I hope that my contribution this afternoon will reflect my experience in the Scottish Parliament, where I continue—just about—to be a sitting Member. I have been in that Parliament since its inception 12 years ago.

[Margaret Curran]

When I go back, I will return the fraternal greetings of the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart), who I am sure will be welcomed back for more vibrant and lively debate. The Scottish Parliament has not been without its controversies, and I do not give it an unequivocally positive response. In my experience, there have been strengths and weaknesses along the way, and it is important to draw that to the attention of the House.

In a sense, the Scottish Parliament was created to address the democratic deficit that was felt strongly in Scotland, because of the United Kingdom's governance structures. When it was established, we did not want the Scottish Parliament to be a repeat of the Westminster model—we wanted it to be different. Three fundamental strands were embedded in that Parliament. One was accountability, which I shall return to, because the point about Executive power and how it is held to account is important. The other two strands were transparency and accessibility.

Since I came to the House of Commons, I have had some interesting experiences and drawn some comparisons. I cannot imagine what would happen in Scotland if an institution was created where Members were given priority in the queues or had special lifts assigned to them. There would be violent uprisings if that were the case and we considered ourselves so grand that we had to go ahead of others in the queue.

Thomas Docherty (Dunfermline and West Fife) (Lab): Perhaps my hon. Friend will wait for the outcome of the Administration Committee's forthcoming report on catering. She might be interested in some of its conclusions.

Margaret Curran: I look forward to that, and I hope that things improve. I wish to make some more substantial points about issues that have been raised in the debate. Obviously, as a Scottish Member, the hours are of great significance to me. I am torn on the issue of family-friendly hours, but I am not sure it is a sound enough argument to say that since hours cannot be family-friendly for all, they should be family-friendly for no one. We should perhaps look at ways in which we can make the hours more family-friendly. I am also disturbed by the argument that states, "I came into this Parliament with my eyes wide open. I knew the hours and I knew I would have difficulties getting back to my family." That inhibits some people from standing for Parliament in the first place, and the way we work excludes a lot of people, particularly women, which seems counter-intuitive to rational planning.

In my first week or fortnight in the House, there was a debate on rape anonymity, a subject in which I have a great interest and which have worked on in Scotland. The debate was held at about half-past midnight or 1 o'clock in the morning. That was utterly absurd, and anyone with any degree of common sense would agree. That is not a proper and rational way to hold that kind of debate.

Having said that, I think it is important not to throw out the baby with the bathwater. There is a lot that my colleagues in the Scottish Parliament can look to Westminster for and learn from, and some traditional ways of doing things are important. This Parliament has an authority and reach that other Parliaments could learn from. There is no doubt that the British people look to this Parliament as a platform for a national debate and a vehicle for certain views. It does not necessarily always have to reflect their views, but it should be a place where views can be tested and rehearsed, hopefully with great vibrancy or some degree of controversy. I do not say that everything in Westminster is wrong, or that because something happens in a devolved context it is, by definition, more modern or advanced.

My final point is about the accountability of Government. That is a critical matter, and it is an area in which the Scottish Parliament has been disappointing, and there are things that need to be thought through. For example, the current Scottish Government regularly lose votes in the Parliament and are reprimanded by Parliament for their actions. However, that is consistently ignored. There are all sorts of explanations and debates about that, but it is significant in and of itself when the Executive—the Government—do not pay attention to the voice of Parliament. We should think about that in Westminster. Urgent questions and topical questions are more advanced in this Parliament, and I respectfully say to the hon. Member for Brighton, Pavilion, who has made an enormous contribution, that the next stage of this debate should be about how we use Parliament to hold the power of Government to account. We have heard some interesting remarks on that.

I strongly support what has been said about changing the language of Parliament. I am more likely to remember someone's name than their constituency. Terms such as "honourable", "Friends" and "Members" are a barrier to common sense and communication, and I hope that the hon. Lady and the Procedure Committee will look at that matter.

My right hon. Friend the Member for Oldham West and Royton (Mr Meacher) made some significant and substantial points about how we hold Government—and the power of Government—to account, which is a vital debate. We must link the debate to the experience of our constituents and make it about their lives. Somehow along the way, we are beginning to get there.

4.55 pm

Dr Sarah Wollaston (Totnes) (Con): I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas)—who is, of course, much better known as Caroline Lucas—on her excellent debate. I do not wish to repeat the many points that she has made, and instead I will refer to a few things such as creeping patronage, new politics and the role of the payroll vote. I agree with the right hon. Member for Oldham West and Royton (Mr Meacher). What is a Back Bencher for? We exist not only to represent our constituents, but to hold the Executive to account. It is disturbing that about 235 hon. Members out of 364 coalition MPs are on the payroll vote, and there are a floating number of Parliamentary Private Secretaries—around 45 because the number varies.

I want to share my experience. I was elected by an unusual process because I came to this job through an open primary. I have no doubt that I was selected because I have no track record in politics. I have 24 years' experience in the health service, and I have experience in education and as a police surgeon treating female victims

of domestic and sexual violence. That is why I am an MP, and I promised that I would come to Westminster to stand up for the NHS.

Shortly after I arrived—I am probably not allowed to say this—I was approached and asked whether I would like to become a PPS. I went to the Library and asked for a briefing on the job description, because there are no job descriptions in this place. I was told that I would have to leave the Health Committee, never speak on health matters and always vote with the Government.

How could I justify that to my constituents in Totnes? How could I look them in the eye if I chose my own professional advancement? It is a Faustian pact. I would have welcomed the opportunity to spend more time quietly behind the scenes, perhaps with Ministers, influencing policy, but in reality that does not happen. I had to make a decision, which is wrong. I have no objection to the principle of a PPS, because one can see how a Minister might lose touch with what is happening on the Back Benches. However, I profoundly object to the fact that people have to make a choice and always vote with the Government. I believe—I hope that hon. Members agree with this—that there is something profoundly toxic in that.

Now that I have committed career suicide, I may as well go in for a penny as in for a pound. One of the more bizarre experiences I had when I arrived as a new MP was the call from the Delegated Legislation Committee. I had a call about an exciting Committee that was discussing double taxation in Oman. I know nothing much about single taxation, let alone double taxation—my constituents can rest assured that I shall not be applying for the Treasury Committee or called to the Treasury. I sat through that Committee, and I sent a worried note to the Whip in charge, wondering whether I had been put on the right Committee. I received a note to say that my only duties were to turn up on time, say nothing and vote with the Government.

Hon. Members can be confident that nobody died as a result of my knowing nothing about double taxation in Oman. However, could the same be said for the Health and Social Care Bill? I would have liked to have been on the Health and Social Care Bill Committee, because I genuinely feel that one of the reasons why I was elected to the House was to apply my experience in medicine and medical education to the scrutiny of that Bill. The thing that I have found most enjoyable and most useful in this place, apart from representing my constituents, has been serving on the Select Committee on Health, which provides an opportunity for a real cross-party, close examination of the issues, and I would like to think that that would be the same for Public Bill Committees.

When I suggested to the Whips that one reason why I wanted to be on the Health and Social Care Bill Committee was so that I could table a few amendments, I effectively—*[Laughter.]* I examined the list for the Bill Committee and saw that my name was missing. Many members of the Committee have a genuine interest in health matters, which I welcome, but I regret to say that several members have no experience in, and have never expressed any interest in, health or social care. The country should be concerned about that. I put it to the Procedure Committee that we not only examine the role of Parliamentary Private Secretaries and remove them from the payroll vote while retaining their only important role, but examine Public Bill Committees. Our legislation would be much stronger if the people examining Bills—

Mr Carswell: Does my hon. Friend agree that the solution to the problem is to ensure that all sitting Members of Parliament, particularly those in the Whips Office, are subject to open primaries, if they want to be the party candidate at the next election?

Dr Wollaston: What a marvellous idea! Obviously, I say that open primaries are a good idea, and they have an important role in establishing a bit more credibility for the House. Yes, the process is expensive, and my selection was criticised, but I see no reason why we cannot combine open primaries, perhaps for several candidates and parties at the same time, and why that cannot be done through secure electronic voting or a series of public meetings. The process does not have to be vastly expensive, and it would certainly improve our accountability. Of course, I have to play the role that I set out on the tin. I stood as a Conservative, and that means that on the vast majority of occasions I will vote along Conservative lines, but with the important proviso that I have to represent a broader constituency. I have to take into much greater account the feelings of my constituents from across the board. What has been suggested would be a very valuable way forward. That is a little vote from me for open primaries, but as I have said, I must declare an interest.

Returning to Public Bill Committees, I do not think that the job description for a member of a Committee should be to turn up on time, say nothing and vote with the Government.

Several hon. Members *rose—*

Mr Joe Benton (in the Chair): Order. I will call one more speaker, but there are only a couple of minutes left before the start of the winding-up speeches. I call Joseph Johnson.

5.2 pm

Joseph Johnson (Orpington) (Con): Thank you, Mr Benton. I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing the debate. My speech will be very short, and I will not dwell on any points that have been made before.

There is one proposal that has the potential, if adopted, not only to save time but to improve the image that we project, both internally and externally. It is rather controversial, but we could save three or four minutes every day by not having Prayers in the main Chamber. If we want to have Prayers, let us shift them into the secondary Chamber—Westminster Hall. There are various reasons why we should make that move. First, it is important that Parliament reflects the country as it is today. It is increasingly not a monotheistic country—we are not an overwhelmingly Christian country any more.

Mr Bone: My hon. Friend is making a hopeless point, but in a very good way. Is it not correct that, in a recent poll, 75% of British people thought that they were Christians?

Joseph Johnson: That is as may be, but institutionalised prayer and congregational worship have fallen out of practice in this country over the past century, as people may notice from the attendance at their local church. I am not against going to church, which is something that people should feel free to do, but it is something that MPs should be encouraged to do in their own time. There are plenty of places of worship in the Palace of Westminster for them to go to if they want to be put in a God-fearing state of mind at the start of play. I can recommend the chapel of St Mary Undercroft. It has some fine—

Chris Bryant: It is hideous.

Joseph Johnson: It has some fine depictions of the fates of those who are not sufficiently respectful of others in their daily activities. There are plenty of ways for MPs to put themselves in the right frame of mind—a selfless frame of mind—at the start of play. Institutionalised worship in the main Chamber is not a good use of everyone's time.

5.5 pm

Hilary Benn (Leeds Central) (Lab): I join other hon. Members in congratulating the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing for us this debate, with the support of the Backbench Business Committee. The turnout shows how many hon. Members want to discuss the subject. For me, what ran like a thread through all the speeches this afternoon was a passion for this place because of what it can do for the people whom we represent. That is why this issue matters.

Like others, I pay tribute to those who have worked to bring about reform, including, certainly in the past year or so, the Wright Committee. I pay tribute to the former Leader of the House, my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman), and to the current Leader of the House for the work that they have done to improve the way in which Parliament operates.

The other thing that has been striking about today's debate is the number of hon. Members who have come along and said, "My mind has been moved by my experience in the House." It is very encouraging to see so many newly elected Members here. People's minds have also been moved by the quality of the argument and the force of the case that has been put. We owe a lot to the hon. Member for Brighton, Pavilion for the cogent and forceful way in which she has argued the case.

The hon. Member for Angus (Mr Weir) referred to recent events surrounding the resignation of the hon. Member for Belfast West. The Leader of the House has been so good as to come and listen to the debate, although he is not winding up. When I suggested a change in the system, because I believe that if a Member wants to resign, they ought to be able to write to the Speaker and say, "I hereby resign from the House of Commons," the Leader of the House chided me slightly by saying that our procedure for the Chiltern hundreds had stood us in good stead for, as I recall, some 260 years and the Government were not inclined to change it. His reputation as a reformer goes before him. I trust that that is not an argument that we will hear deployed too often when we come to debate some of the other changes that have been discussed this afternoon, because the response to any proposal put forward by hon. Members should be that it will be considered on its merits. We certainly should not argue, "Well, we've always done it this way." We should argue the case, listen to the different views—we have heard a very wide range of views this afternoon—and make a decision.

The work of the Wright Committee and others has meant that real change has happened. The election of Select Committee Chairs and membership has been a very important step in taking those positions away from the power of Governments and Whips and putting them in the hands of hon. Members. Select Committees are a very powerful force in the House. The change has been an important assertion of the principle of independent scrutiny of what the Executive do.

More urgent questions have been granted. I pay tribute, if one can without breaching parliamentary order, to Mr Speaker, because he has certainly increased the number that are granted. The fact that more Back Benchers are now called to ask questions—business questions and others—has helped to re-energise the Chamber.

For me, however, the most significant change of the lot has been the creation of the Backbench Business Committee. In fairness, a reading of history would probably suggest that the Executive really grabbed control of time at some point in the 17th century. The creation of the Backbench Business Committee has wrested back for Back Benchers the opportunity to determine what we debate, how we debate it and whether it is put to a vote. I pay tribute to my hon. Friend the Member for North East Derbyshire (Natascha Engel) for the skill with which she has chaired the Committee and for the really open way in which she and the other members of the Committee meet every week and say to hon. Members, "Come and tell us what you want to discuss."

The salon, so christened by the Leader of the House, is an open and transparent way for Members to have the chance to say, "This is what we would like to discuss." It is a profound change, and we are still getting to grips with it, but one occasion crystallises the force of the change in my mind. That was the first of the Backbench Business Committee's debates, on contaminated blood, which included a vote. I have never encountered such a thing in my time in the House. We have seen that same force in this afternoon's debates, and there will be another example next week with the debate on voting rights for prisoners.

Mr Bone: The right hon. Gentleman has made an interesting point. On transparency—he was discussing votes—does he share my desire that, in order for people to see what is really going on in Parliament, if voting is organised by the business manager, in other words it is whipped, it should be displayed in public and recorded in *Hansard*? If the party is whipping people to vote in a particular way, those outside should be able to see it.

Chris Bryant: They could tweet it.

Hilary Benn: From a sedentary position, my hon. Friend the Member for Rhondda (Chris Bryant) suggests how it could be done.

I am not convinced that that is the most urgent of the reforms that is needed. The truth is that there is a tension here. On the one hand, we are members of parties; some are on their own and others have more around them, but that is part of the reason why we are elected to this place. We may or may not have great qualities as individuals, but we are elected because of what we represent, but that bringing together enables Parliament to do business. The other part of the tension is how that impinges on Members exercising their independent judgment, a point that I shall return to in a moment.

I welcome the Procedure Committee's report on ministerial statements, and its inquiry into sitting hours. I sense that we have a moment for further reform. Today's debate demonstrates that, not least because there are long-standing Members here today who have expressed an interest and shared their views with us, and there are many new Members here—a large number of new Members. That is why the hon. Member for Brighton, Pavilion has done us such a great service. One thing that struck me today, which is not always the case in all debates, was that as the hon. Lady spoke—indeed, as all hon. Members spoke—every one of us was listening intently to what was being said, which is how it should be. That is a characteristic of Westminster Hall, and sometimes—and sometimes not—it is a characteristic of the main Chamber, which tells us something about the importance of our discussion.

Turning to the specific proposals, I agree that we should consider ways to provide greater certainty about when votes are taking place, and I am all for considering ways to speed up the process. However, the chance for Members to come together collectively is important, and it is the reason for the proposed change. On sitting hours, I am in favour of returning to 11.30 am to 7 pm on Tuesdays, and I am in favour of moving private Members' Bills to Tuesday or Wednesday evenings. It is wrong that Members should have to make a choice on a Friday between their constituency responsibilities—many choose to exercise them, myself included—and considering legislation. Like my right hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), I agree that Bills should be disposed of by a vote and not by trying to talk them out.

Joan Ruddock: I ask my right hon. Friend to confirm that when we sat three hours earlier on Tuesdays, it was possible for all Parliament's business to function perfectly well, including the Speaker, the Committees, the staff and everyone else. Those hours have huge value, because they provide the scope for private Members' Bills and the certainty of Friday being a constituency day.

Hilary Benn: I agree completely. The neatness to the solution of having private Members' Bills on Tuesday or Wednesday evenings is this. One of the arguments against the old hours was that, "Well, the place is dead in the evenings," but there would be plenty to discuss for those who wish to stay and take part. That would acknowledge the fact that we have responsibilities to our constituencies, which we all understand, and would not put us in a bind.

As for amendments and explanations, I am absolutely in favour of the recommendation. We had an experiment, but not everyone did so. A simple way to ensure that everybody does it is to say that those who want to table an amendment must offer an explanation or it will not be considered.

Turning to the broader questions, many hon. Members have mentioned balancing competing pressures on time, and we happen to be sitting in one of the solutions. The Adjournment debates that take place in Westminster Hall are hugely important for Back Benchers who want to raise issues and get an answer from Ministers. A number of ideas relating to that have been suggested by the right hon. Member for Saffron Walden (Sir Alan Haselhurst) and others. The Procedure Committee has recommended that we use this place to question Ministers on written ministerial statements, which is a most sensible suggestion that I hope the House will adopt. The other question is who should control the time, as we seek to expand it to deal with the competing demands.

The second matter is the fundamental one of the balance of power between the legislature and the Executive.

Chris Bryant: By convention, constitutional Bills are dealt with entirely on the Floor of the House. In practice, the process of going through them line by line means that we end up with fewer hours of debate. I wonder whether there is a means of having those debates in Westminster Hall, so as to allow a longer debate, more in the style of a normal sitting on the Committee corridor, but with the votes still being held in the main Chamber.

Hilary Benn: That would be one way of addressing some of the pressures that we have been discussing. I shall return in a moment to how we could take it all forward.

I was a local councillor for 20 years and, picking up on a point made by my right hon. Friend the Member for Oldham West and Royton (Mr Meacher), when I was first elected to the House, I was astonished at the lack of scrutiny of expenditure, because councillors went through every year's budget line by line. We have a lot of means by which to hold the Executive to account, if we choose to exercise them, and we can discuss ways to acquire more means. My right hon. Friend has made a number of suggestions on that point.

The third question is how Parliament is seen and covered by the media. I regret the fact that there is more commentary and sketch writing about what is said in Parliament than there is reporting of what parliamentarians say. It is a bit like "Match of the Day" having about five minutes of football and 55 minutes of analysis. We have to get the balance right, but it is up to us.

We should think back to the tuition fees debate, when a wide range of views was expressed. That day, the eyes of the nation were on Parliament. My son told me that he went to the bar at university and saw something that he had never seen before—students watching the Parliament channel on television. On that day, people were looking to us, because we were debating something important. When the bankers appeared before the Treasury Committee—those folk had contributed somewhat to the economic difficulties that we face—people were interested in the process.

The fourth question is how we legislate. I agree with the hon. Member for Bury North (Mr Nuttall) and others about the benefit of pre-legislative scrutiny. With

[Hilary Benn]

the benefit of some ministerial experience, I can say that Governments of all colours do not draft perfect legislation. The notion that the Government should unveil legislation in the House and then repel all boarders, wherever they come from, is nonsense. The act of scrutinising legislation, both pre-legislative and in Committee, means that we end up with better legislation, which is what we want. That process tests the legislation, and things that have not been thought of are exposed. I agree with those who say that we should have the chance to vote on proposals, and not see them slip off the edge of the Order Paper. The Government should have the courage of the argument and respect the vote.

Turning to how representative we are, we have not touched on House of Lords reform, because that would have taken all of our time, but I am wholly in favour of the second Chamber being 100% elected. It should be part of the system of checks and balances while recognising that the first elected Chamber should ultimately have its way.

Where do we go now? We need a process to take forward the ferment of ideas that we have heard this afternoon, and we must not lose the moment—for reasons that many Members have mentioned. The Procedure Committee, which is ably chaired by the right hon. Member for East Yorkshire (Mr Knight)—I am sorry that he is not well and we have sent our best wishes to him—is the furnace from which the ideas should come. The ideas should be presented to us; we can debate them and then have a chance to vote on them. Completely different views have been expressed this afternoon, which is great. In the end, though, we have to have a mechanism for deciding whether or not we are going to do something. Voting is a wonderful way in which we can try to reconcile the apparently irreconcilable.

Finally, why does this all matter? My hon. Friend the Member for Glasgow East (Margaret Curran) expressed it on behalf of us all when she said that people look to this Parliament to be the forum for national debate. They want to see that their voices are heard. They want to see us solving their problems and they want their hopes and aspirations realised by what we do. In the words of the prayer, we seek

"to improve the condition of all mankind"—

I would change that to humankind—and it is good to reflect on that when we start the day. The truth is that our democracy is our best and only hope of doing those things; it is our Parliament, so let us make it work for the people whom we have the privilege of representing.

5.20 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): It has been a great pleasure to listen to this debate, and I congratulate the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing it.

I am pleased that so many new Members have come along and contributed. The hon. Member for North East Derbyshire (Natascha Engel) hit the nail on the end when she said that there is a brief moment before we become institutionalised by this place where we actually see things as others see them. It is important that we have that perspective and make use of it.

I also say that this is a triumph for the Backbench Business Committee, and I am so pleased that the Leader of the House has been able to sit through the debate. I hope that he is here not to ensure that I do not say something completely out of order but because he, like me, shares a zeal for reform. The best thing that we have done so far in this House is create the Backbench Business Committee, which we argued for in opposition, which the Wright Committee proposed and which we now have doing its job. Without the Backbench Business Committee, we would not have had the two well-subscribed, relevant debates in the main Chamber today and this debate happening here. We can contrast that with the lacklustre, so-called topical debates that we had in the previous Parliament, which were chosen by the Leader of the House. Those debates were neither topical nor debates, because Members were not really interested in them, so we have made a huge stride in the way in which we work. Of course, there are many other things that have happened, such as the election of Committees and their Chairs, which is directly relevant to what the hon. Member for Totnes (Dr Wollaston) has said. She is able to be a member of the Health Committee because she has the confidence of her colleagues rather than the patronage of the Whips, which is an important distinction.

Two themes underlie our debate. One is how we make this House more efficient in the way in which it does its job, so that Members of Parliament can do their jobs better. The other—this picks up the point that was very well made by the hon. Member for Carmarthen West and South Pembrokeshire (Simon Hart)—relates to making this House fit for purpose, which is both relevant and a matter of good governance. I agree that we reached a nadir of parliamentary performance a couple of years ago. It coincided, as it happened, with the expenses scandal, and amplified it because the general public were saying, "These people are abusing the system, and what use are they anyway, because Parliament is not doing the job for which we elected it—holding the Executive to account?"

Making the House more efficient and improving good governance are not mutually exclusive. In fact, the situation is the reverse, because they are complementary. The key word—it has been used many times—is balance. There are countervailing balances all the way through the proceedings. For individuals, it is how they use their time—in their constituencies, in the Chamber and with their families, which we often forget as part of the equation. There are competing pressures on their time when they are actually in Parliament. There are Select Committees, Public Bill Committees, the main Chamber and this place. The hon. Member for Stretford and Urmston (Kate Green) had to leave this debate to be in another debate in which she has a keen interest, which demonstrates how we have to balance those pressures.

There is the further balance between legislation and scrutiny, which are both important. The key is time. Very often people make mutually impossible demands on the programme of the House. They say, "We want more time to scrutinise Bills." At the same time, they say, "We want more statements before the House." Then they say, "We want more opportunities to see Ministers in the Chamber, but we do not want the hours to be any longer, and we do not want the recesses to be any shorter. We want all these things to happen within the same short period that we have available as

parliamentarians." Sometimes, we have to strike a balance. Part of that balance is ensuring that legislation, which is a key part of this House's work, is scrutinised effectively and that there is time for that to happen and for the Government to put forward legislation in a proper way.

Mr Bone: We are very lucky today to have the presence of three outstanding parliamentarians—the Leader of the House, the Deputy Leader of the House and the shadow Leader of the House. When we were in opposition, we were united in our opposition to programme motions and the reduction in time. I still hold that view, although I am not entirely sure whether the Leader of the House and the Deputy Leader of the House still do. Perhaps the answer to my problem is the introduction of a business of the House committee. What does the Deputy Leader of the House say to that?

Mr Heath: As the hon. Gentleman knows, we are committed to bringing forward a full business of the House committee. We will not do so until we have seen the way in which the Backbench Business Committee has operated, so that we can learn from experience. Certainly, the early experiences have been good. We should be able to move towards a sensible use of time in this Chamber even without such a Committee, but that needs a degree of co-operation and a bit of grown-up politics, so that when we provide more time for Bills it is used sensibly and not used exclusively by Opposition Front Benchers to the exclusion of Back Benchers. Such issues are important for the whole House. We should ensure that the issues that parliamentarians wish to address have sufficient time to be addressed properly. When we come to a sensible agreement, we should keep to it, because it benefits everybody. My plea is that we discuss these matters, both informally and formally, stick to agreements and try to find the right time for everybody to have their say.

I want briefly to deal with some of the issues that have been raised in debate. For many of them, I will simply say, "It is not a matter for Government." I will be right, because it is a matter for the House. The House, in both my mind and the mind of the Leader of the House, has a key role to play. We have the Procedure Committee considering sitting hours. There are very strong views on either side of the argument. It is not a question of right and wrong, but a question of what is least bad for many Members. I am looking forward to the options that the Procedure Committee will produce for the House to consider.

As for electronic voting, when I was first elected back in 1997, we discussed whether the current voting system is sensible. The Modernisation Committee cogitated for six months before coming up with its conclusion, which was to do away with the two Clerks on high stools solemnly ticking us all off as we filed past and dramatically replace it with three Clerks on high stools ticking us all off, which was the extent of modernisation in this House. That was the decision of the House. The House wanted to keep to its system, because it was argued that that was the way in which Members could rub shoulders with Ministers. As an Opposition Member, I could never quite see when I would get to rub shoulders with a Minister. It is an issue that is perfectly proper for us to consider. I am struggling at the moment to persuade the Clerks of the House that they need to take a few people off the G to M section during a vote. *[Interruption.]* There are 20% more in our column than in the other two columns, so I have a partisan view on that.

Sir Alan Haselhurst: I refresh the Deputy Leader of the House's mind that there was one occasion when the England football team were involved in a critical World cup match. A Division occurred in the middle of the match and it was accomplished in nine minutes. Where there is a will, there is a way.

Mr Heath: Yes, sometimes. Congestion is a problem—perhaps we should have a congestion charge in the Lobbies.

There are obvious arguments in favour of occasional deferred voting. However, there are also problems with sequential amendments, which were outlined by the right hon. Member for Saffron Walden (Sir Alan Haselhurst). We need to look at how that problem might be managed if occasional deferred voting is to proceed, but that is another matter for the House to consider.

Regarding abstentions, it has always struck me as odd that we have no way of differentiating between an abstention and an absenteeism. There is no way of knowing that a right hon. Member or hon. Member is here in Parliament but has chosen not to vote for the options before the House. Of course, the results of votes are now recorded electronically and are sent around the country. Constituents believe that their MP simply was not there rather than that they were there, had listened to the arguments made in the debate and were not persuaded by either of the positions that were taken.

I hope that we will make progress on private Members' Bills. As has already been said, the Procedure Committee is looking at that issue.

Regarding explanations for amendments, we had the experiment in Committee and I am certainly happy, as far as the Government are concerned, for that experiment to proceed. Perhaps we ought to look at having such explanations on Report, too. I have argued that occasionally there is room for rubric on motions, including the type of business motion that appears late at night before the House that is completely inexplicable to most Members of the House but is actually entirely benign. I think that we can speed up our progress, but I have been told by the Clerks that we cannot possibly put a bit of rubric on the Order Paper to explain why we are doing it. I do not know why that is the case.

Parliamentary language is an issue that we could debate all evening and I will not enter into it other than to say that we have heard the arguments on both sides.

The additional use of Westminster Hall is an important issue. The right hon. Member for Saffron Walden was one of the pioneers of its additional use. He is not an old fogey. He pioneered real innovation in this House in helping to create this Chamber, and if we can use it more effectively we should do so. We ought to look at that issue.

Regarding the legislative process, pre-legislative scrutiny is important, and this Government are committed to it. By the end of this Session, we will have subjected far more Bills to a process of pre-legislative scrutiny than the previous Government did in the final Session of the

[Mr Heath]

previous Parliament. It has not happened yet simply because we are a new Government, and inevitably with new legislation one has to start somewhere, otherwise the whole system grinds to a halt. However, we are certainly committed to that process, as we are to the process of post-legislative scrutiny. Indeed, some of the levers for that are already there in the hands of the Select Committees, if they choose to use them.

The issue of commissions of inquiry was raised by the right hon. Member for Oldham West and Royton (Mr Meacher). He might remember that, before I was in my present not-very-exalted position, I introduced a Bill to allow commissions of inquiry. There is a strong argument for them, and I am engaging with Ministers to see whether there will be a legislative opportunity for doing exactly as he wishes.

Regarding scrutiny of expenditure, we have already had the clear line of sight programme from the Treasury, which is important and which has allowed a degree of co-ordination in scrutinising expenditure, but we can go further in allowing the House to scrutinise Government expenditure more effectively. Again, however, the Select Committees have an important scrutiny role, which they have not fully exploited. As for lobbyists, we intend to introduce legislation shortly to deal with their registration. I agree that that is an important issue, too.

I will start to wind up now, Mr Benton, because the hon. Member for Leicester South (Sir Peter Soulsby), who will speak for the Procedure Committee—I am so sorry that the right hon. Member for East Yorkshire (Mr Knight), the Chairman of the Committee, is indisposed today and is unable to be here—wishes to speak.

The problem that we had with the previous Government was their attempt to lead the House's modernisation agenda themselves, by using the Modernisation Committee, chairing it and then effectively abandoning it in the final months and years of the previous Parliament. We are making real progress on a wide front in reforming Parliament, and where there is a need for legislation we will introduce it. The procedure and processes of the House are a matter for the House itself, and we are keen that the House takes the lead on those issues. We might have clear views, and we will express them, but as a Government we should not impose processes on the House.

Ann Coffey: Will the Deputy Leader of the House give way?

Mr Heath: Very quickly.

Ann Coffey: Part of the issue is that it is only business managers who can put motions before the House. Is the Minister saying that when the Procedure Committee comes up with recommendations, those recommendations will go to the House to be voted on?

Mr Heath: We have a new procedure that involves the Backbench Business Committee, which is why we are having this debate today and which is the really significant advance. However, I accept that there are different foci for reform in Parliament at the moment. There are the business managers, the Leader of the House and myself, the Backbench Business Committee, the Procedure Committee and the Liaison Committee. There are a number of people who have an interest in this issue, and there is a legitimate discussion to be had about whether the House has the right vehicle to take the debate about the issue forward. However, I am absolutely convinced that the debate needs to be taken forward and we, as a Government, will certainly make every attempt to support that view.

5.35 pm

Sir Peter Soulsby (Leicester South) (Lab): It is a pleasure to reply to this debate on behalf of the Procedure Committee. As the Minister has reminded Members, I do so because of the illness of the right hon. Member for East Yorkshire (Mr Knight), who is the Chair of our Select Committee but who had all the symptoms of flu last night. For his sake and for ours, it was felt best that he retired to his bed.

It is very evident, from the number of Members who have been in Westminster Hall for this debate today and the passion with which they have spoken, that a series of issues have been discussed that we undoubtedly need to take account of. The members of the Procedure Committee were here, along with a number of other Members, and I am sure that the other members of the Committee will correct me if I do anything other than express the views of the Committee. As I say, these are matters that we need to take account of and we will take account of them. We are very grateful to have had the opportunity to hear the debate.

I join others in congratulating the hon. Member for Brighton, Pavilion (Caroline Lucas) on securing this timely debate. Any person who listened to the debate but was not actually in the room with us would be heartened by the fact that it was virtually impossible to tell which party Members were from as they contributed to the debate. It has been clear that we are united in our passion not only to restore the reputation of the House but to enhance its effectiveness in representing our constituents, in holding the Government to account and in scrutinising legislation.

I pay tribute, very briefly, to some of those who have paved the way in the past for this debate. The right hon. Member for Oldham West and Royton (Mr Meacher) spoke very passionately. It is worth reflecting on the fact that he currently chairs an important cross-party group, Parliament First, which paved the way for much of the agenda that we have talked about today. Back in 2003, the group published a short but very influential paper called "Parliament's Last Chance", which is still available in the House of Commons Library. In that paper, the group set out an agenda for improving scrutiny and accountability, for direct engagement with the public and, most important of all and fundamental to what we have discussed today, about how Parliament—particularly those of us in the Commons—can regain control over our own affairs and thereby enable ourselves to do our job properly.

I also pay tribute to another Member who is not able to be with us today, my hon. Friend the Member for Nottingham North (Mr Allen). He wrote a very useful pamphlet that has helped to set the agenda, called "The Last Prime Minister". It was somewhat apocalyptic in its title but none the less influential in the agenda that it set out.

Of course I pay tribute, as other Members have done, to Tony Wright, the former Member for Cannock Chase. While many of the rest of us were despairing of what was happening around us during the expenses scandal, he saw the opportunity of that crisis to set out an agenda for reform, including proposing the establishment of the Reform of the House of Commons Committee, a number of whose members are here today. He also pressed an agenda on that Committee for a menu of items for reform that have enabled us—both the last Government and the present Government—to do much of what has been achieved of late.

We have seen the establishment of the election of our Speaker and of our Deputy Speakers, and even more significantly than those two changes we have seen the establishment of the election of Select Committee Chairs and a proper, transparent system for appointing membership, which has taken those appointments beyond the reach of the patronage of party and Whip. That has undoubtedly continued to enhance the reputation of the work of the Select Committees, and enabled them truly to speak on behalf of Members across the parties, in holding the Government and others to account.

The Procedure Committee is very aware that it needs to take forward the changes that have already been made. In her introduction, the hon. Member for Brighton, Pavilion talked about us having a long way to go. We have achieved a lot, but she is entirely right. The Modernisation Committee is well aware that we have a long way to go, and knows that it picks up the responsibility of the Wright Committee to drive forward change and reform.

We already have on our agenda a number of matters that have come from the Wright report, and we have already looked at some of the issues raised by right hon. and hon. Members during this debate, for example the proposed explanatory statements on amendments. We have looked at the use of hand-held devices, and at issues raised by the Wright Committee that were not picked up by the Government of the time, such as the recommendation to have lay members on the Standards and Privileges Committee. Important as those issues are, a much more significant issue on our agenda is one that many Members have mentioned: the hours we sit, the days when we sit, and what we do when we are here.

A number of Members have touched on the difficulty of drawing up a job description for a Member of Parliament, and undoubtedly there is much to be discussed about the balance between what we do in our constituencies and what we do here at Westminster. However, all of us on the Procedure Committee are aware that there is a range of important issues that we need to discuss, concerning the options for the days when we meet, the times we meet, the places where we meet—whether the main Chamber or here in Westminster Hall—and, most important of all, the business that we conduct.

In taking forward our agenda—this was very much pressed on us by the House—the Committee issued just yesterday a timely report on ministerial statements. The report looks at how the House can ensure that it is the first to hear the detail of important Government statements, instead of them being released by the press, with us following far behind trying to pick up the pieces, and responding to the debate rather than setting it. Fundamental to that, and to the work of the Procedure Committee, is the principle that Parliament should be at the centre of the national debate.

I was pleased that the Deputy Leader of the House spoke again of the reforming zeal possessed by him and his colleague, the Leader of the House, whom I have been delighted to see with us throughout this debate, and I press on him once more the vital importance of the recommendation in the Wright Committee's report, which we as the Procedure Committee will pick up, to take forward the House business committee. I think that we are all enormously impressed by the work that is being done by the Backbench Business Committee under the chairmanship of my hon. Friend the Member for North East Derbyshire (Natascha Engel), and by the difference that it has made to our ability to be effective in our jobs as parliamentarians and Members of the House of Commons. However, I think that we are all aware that although the Government have a right to get their business through the House, the House has a responsibility to ensure that that business is properly scrutinised. At the heart of guaranteeing that is the way in which time is allocated and the way in which we as Members of Parliament have the opportunity to ensure that business is properly scrutinised, whether it is in its early pre-legislative scrutiny stages or is passing formally through the various stages in the House. Part of that, and beyond the establishment of a House business committee, are questions about how Public Bill Committees are able to scrutinise legislation.

On behalf of the Select Committee, I want to give a reassurance that we are aware that the issue of how we restore the ability of the House to do its job properly is vital. I also reassure those present that the members of the Procedure Committee have been listening to this debate, even those who are not physically present, and that we recognise our responsibility to respond effectively to the concerns that have been raised and the suggestions that have been made, and to do so in a timely fashion.

Question put and agreed to.

5.44 pm

Sitting adjourned.